



LODI CITY COUNCIL

Carnegie Forum

305 West Pine Street, Lodi

AGENDA – REGULAR MEETING

Date: June 4, 2008

Time: Closed Session 6:30 p.m.
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

NOTE: All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 24 hours prior to the meeting date.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Actual Litigation: Government Code §54956.9(a); One Case; Garza v. City of Lodi, et al., San Joaquin County Superior Court, Case No. CV026299
- b) Actual Litigation: Government Code §54956.9; Calvin Wadlow v. City of Lodi; WCAB Case Number STK0189440– 1/30/2003 and 4/18/2003

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll call

B. Invocation – Pastor Bill Cummins, Bear Creek Community Church

C. Pledge of Allegiance

D. Presentations

- D-1 Awards – None
- D-2 Proclamations
 - a) United States Army Week
 - b) National Automotive Service Professionals Week (PW)
- D-3 Presentations – None

E. Consent Calendar (Reading; Comments by the Public; Council Action)

- E-1 Receive Register of Claims in the Amount of \$8,177,818.71 (FIN)
- E-2 Approve Minutes (CLK)
 - a) April 16, 2008 (Regular Meeting)
 - b) May 7, 2008 (Regular Meeting)
 - c) May 20, 2008 (Shirtsleeve Session)
 - d) May 27, 2008 (Shirtsleeve Session)
 - e) May 28, 2008 (Special Joint Meeting w/Redevelopment Agency)

Res. E-3 Adopt Resolution Awarding Contract for Asphalt Materials for Fiscal Year 2008-09 to Granite Construction Company, of Stockton (\$225,198) (PW)

Res. E-4 Adopt Resolution Awarding Annual Contract for Curb, Gutter, and Sidewalk Replacement to Popuch Concrete Contracting (\$79,055) (PW)

- Res. E-5 Adopt Resolution Awarding the Purchase of a Hydraulic Underground Cable Puller to the Lowest Responsive Bidder, AllQuip Universal, Inc., of West Sacramento, CA (\$87,945.14) (Replacement) (EUD)
- Res. E-6 Adopt Resolution Ratifying the San Joaquin Council of Governments' Annual Financial Plan for Fiscal Year 2008-09 (PW)

F. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

G. Comments by the City Council Members on Non-Agenda Items

H. Comments by the City Manager on Non-Agenda Items

I. Public Hearings – None

J. Communications

J-1 Claims Filed Against the City of Lodi – None

J-2 Appointments – None

J-3 Miscellaneous – None

K. Regular Calendar

- K-1 Report on 2008 Lodi Solar Rebate Pilot Project: Implementation of Project, Customer Participation and Solar System Installation Permit Fees (EUD)
- Res. K-2 Adopt Resolution Authorizing the City Manager to Allocate Public Benefit Program Funds for Seven Energy Efficiency Rebate or Related Programs for the 2008-09 Fiscal Year (\$440,000) (EUD)
- Res. K-3 Adopt Resolution Authorizing the City Manager to Allocate \$82,500 in Public Benefit Program Funds for Five Programs; and Authorize the City Manager to Execute Contracts with Four Different Entities to Assist in Managing These Programs (EUD)

L. Ordinances – None

M. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Randi Johl
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: United States Army Week

MEETING DATE: June 4, 2008

PREPARED BY: City Clerk

RECOMMENDED ACTION: Mayor Mounce present a proclamation proclaiming the week of June 9 – 15, 2008, as “United States Army Week” in the City of Lodi.

BACKGROUND INFORMATION: Mayor Mounce has been requested to present a proclamation proclaiming the week of June 9 – 15, 2008, as “United States Army Week” in the City of Lodi. Sergeant 1st Class Timberlake Pierce, Lodi Recruiting Station Commander, and Captain Noah Jefferson, San Joaquin Recruiting Company Commander, will be at the meeting to accept the proclamation.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None.

Randi Johl
City Clerk

RJ/JMP

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: National Automotive Service Professionals Week Proclamation

MEETING DATE: June 4, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Present a proclamation proclaiming the week of June 9-15, 2008, as "National Automotive Service Professionals Week".

BACKGROUND INFORMATION: National Automotive Service Professionals Week was established in 2005 to honor the commitment and dedication of automotive, truck and collision technicians, along with parts specialists and other support professionals who serve the motoring public. Automotive Service Professionals Week is a national event to recognize the efforts of automotive service professionals in keeping our vehicles running correctly. The City wants to join with the Governor and the State of California in acknowledging how important these professionals are to our communities.

Specifically, for the City of Lodi, the Fleet Services Division of the Public Works Department is responsible to repair and maintain the City's fleet. They work daily on equipment, cars, trucks, and buses to support all City departments. They maintain approximately 430 pieces of equipment and vehicles, including everything from Police patrol cars and fire engines to construction equipment and buses.

A representative of the Public Works Fleet and Facilities Division will be present to accept the proclamation.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Dennis J. Callahan, Fleet and Facilities Manager

FWS/DC/pmf

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Register of Claims Dated May 8, and May 15, 2008 in the Total Amount of \$8,177,818.71

MEETING DATE: June 4, 2008

PREPARED BY: Financial Services Manager

RECOMMENDED ACTION: Receive the attached Register of Claims for \$8,177,818.71.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$8,177,818.71 dated 05/08/08 and 05/15/08. Also attached is Payroll in the amount of \$1,272,782.23.

FISCAL IMPACT: n/a

FUNDING AVAILABLE: As per attached report.

Ruby R. Paiste, Financial Services Manager

RRP/rp

Attachments

APPROVED: _____
Blair King, City Manager

Accounts Payable
Council Report

Page 1
Date - 05/20/08
Amount

As of Thursday	Fund	Name	Amount
05/08/08	00100	General Fund	989,156.54
	00120	Vehicle Replacement Fund	7,641.69
	00123	Info Systems Replacement Fund	5,393.49
	00130	Redevelopment Agency	54,847.54
	00160	Electric Utility Fund	3,262,654.77
	00161	Utility Outlay Reserve Fund	26,100.54
	00164	Public Benefits Fund	2,428.74
	00166	Solar Surcharge Fund	36,072.40
	00170	Waste Water Utility Fund	14,693.55
	00172	Waste Water Capital Reserve	2,005,485.00
	00180	Water Utility Fund	4,557.17
	00210	Library Fund	14,602.77
	00234	Local Law Enforce Block Grant	1,142.16
	00260	Internal Service/Equip Maint	8,849.00
	00270	Employee Benefits	445,090.26
	00300	General Liabilities	38,532.99
	00310	Worker's Comp Insurance	25,852.79
	00321	Gas Tax	3,782.77
	00325	Measure K Funds	20,759.75
	00329	TDA - Streets	6,312.50
	00340	Comm Dev Special Rev Fund	68.59
	00411	Notes Payable-Debt Service	96,106.00
	01211	Capital Outlay/General Fund	3,233.50
	01212	Parks & Rec Capital	101.53
	01218	IMF General Facilities-Adm	21,776.81
	01250	Dial-a-Ride/Transportation	6,375.78
	01410	Expendable Trust	2,690.35

Sum			7,104,308.98
	00184	Water PCE-TCE-Settlements	149.58

Sum			149.58

Total for Week			
Sum			7,104,458.56

Accounts Payable
Council Report

Page 1
Date - 05/20/08
Amount

As of Thursday	Fund	Name	Amount
05/15/08	00100	General Fund	767,224.37
	00123	Info Systems Replacement Fund	315.00
	00130	Redevelopment Agency	13,511.45
	00160	Electric Utility Fund	84,769.07
	00161	Utility Outlay Reserve Fund	8,300.35
	00164	Public Benefits Fund	1,575.00
	00170	Waste Water Utility Fund	20,079.09
	00172	Waste Water Capital Reserve	40,846.10
	00180	Water Utility Fund	4,682.20
	00181	Water Utility-Capital Outlay	62.50
	00182	IMF Water Facilities	2,058.30
	00210	Library Fund	6,661.26
	00234	Local Law Enforce Block Grant	1,855.82
	00235	LPD-Public Safety Prog AB 1913	61.18
	00260	Internal Service/Equip Maint	4,737.19
	00270	Employee Benefits	20,128.07
	00300	General Liabilities	4,282.75
	00310	Worker's Comp Insurance	8,500.00
	00320	Street Fund	25,608.60
	00321	Gas Tax	20,834.64
	00340	Comm Dev Special Rev Fund	60.95
	01212	Parks & Rec Capital	60.80
	01218	IMF General Facilities-Adm	2,320.00
	01250	Dial-a-Ride/Transportation	5,372.99
	01410	Expendable Trust	21,473.72
Sum			1,065,381.40
	00184	Water PCE-TCE-Settlements	4,049.91
	00190	Central Plume	3,928.84
Sum			7,978.75
Total for Week			
Sum			1,073,360.15

Council Report for Payroll

Page
Date- 1
- 05/19/08
Gross
Pay

Payroll	Pay Per Date	Co	Name	
Regular	05/04/08	00100	General Fund	846,308.59
		00160	Electric Utility Fund	180,476.45
		00164	Public Benefits Fund	5,388.93
		00170	Waste Water Utility Fund	89,021.51
		00180	Water Utility Fund	1,462.34
		00183	Water PCE-TCE	175.00
		00210	Library Fund	34,831.86
		00235	LPD-Public Safety Prog AB 1913	3,813.48
		00260	Internal Service/Equip Maint	19,255.63
		00321	Gas Tax	53,627.94
		00340	Comm Dev Special Rev Fund	35,150.21
		01250	Dial-a-Ride/Transportation	3,270.29
Pay Period Total:				
Sum				1,272,782.23



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) April 16, 2008 (Regular Meeting)
b) May 7, 2008 (Regular Meeting)
c) May 20, 2008 (Shirtsleeve Session)
d) May 27, 2008 (Shirtsleeve Session)
e) May 28, 2008 (Special Joint Meeting w/Redevelopment Agency)

MEETING DATE: June 4, 2008

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) April 16, 2008 (Regular Meeting)
b) May 7, 2008 (Regular Meeting)
c) May 20, 2008 (Shirtsleeve Session)
d) May 27, 2008 (Shirtsleeve Session)
e) May 28, 2008 (Special Joint Meeting w/Redevelopment Agency)

BACKGROUND INFORMATION: Attached are copies of the subject minutes, marked Exhibits A through E.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/JMP
Attachments

APPROVED: _____
Blair King, City Manager

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, APRIL 16, 2008**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of April 16, 2008, was called to order by Mayor Mounce at 5:30 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Actual Litigation: Government Code §54956.9(a); One Case; Voytek v. City of Lodi, et al., San Joaquin County Superior Court, Case No. CV033857
- b) Actual Litigation: Government Code §54956.9(a); One Case; Sciarini v. City of Lodi, et al., San Joaquin County Superior Court, Case No. CV034596
- c) Actual Litigation: Government Code §54956.9; Three Actions; John Walker v. City of Lodi; WCAB Case Numbers STK156990 – 4/11/00, STK0156991 – 1/31/00, and STK171305 – 4/11/00
- d) Conference with Dean Gualco, Human Resources Manager, and Jim Krueger, Deputy City Manager (Labor Negotiators), Regarding Lodi Professional Firefighters, Police Mid-Managers, and Association of Lodi City Employees Regarding General Services and Maintenance & Operators Pursuant to Government Code §54957.6

C-3 ADJOURN TO CLOSED SESSION

At 5:30 p.m., Mayor Mounce adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 6:45 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:01 p.m., Mayor Mounce reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Items C-2 (a), C-2 (b), C-2 (c), and C-2 (d) were general discussion and direction only.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of April 16, 2008, was called to order by Mayor Mounce at 7:01 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Reverend Dr. Alan Kimber, First United Methodist Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mounce.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 (a) Suga Moriwaki, President of the Library Board of Trustees, presented the Library Volunteer of the Year Award to Gordon Harris.

- D-2 (a) Mayor Mounce presented a proclamation to Jennifer Busalacchi with the Women's Center of San Joaquin County proclaiming the month of April 2008 as "Sexual Assault Awareness Month" in the City of Lodi.
- D-3 (a) Mayor Mounce presented a Certificate of Recognition to Mike Pretz, representing the Lodi-Tokay Rotary Club, for sponsoring the Lodi International Wine Awards.
- D-3 (b) Barbara Williams, Senior Regent with the Women of Moose Lodge Chapter #448, made a presentation to Police Chief Main and Fire Chief Pretz regarding its stuffed "Moose" dolls for children.
- D-3 (c) Fire Chief Pretz presented the Lodi Fire Department staff Centennial photo to the City Council.

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Johnson, Hitchcock second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

- E-1 Claims were approved in the amount of \$7,903,207.65.
- E-2 The minutes of March 18, 2008 (Shirtsleeve Session), March 25, 2008 (Shirtsleeve Session), April 1, 2008 (Shirtsleeve Session), and April 2, 2008 (Regular Meeting) were approved as written.
- E-3 "Adopt Resolution Authorizing the Emergency Replacement of Damaged City Hall and Carnegie Forum Air Conditioner Chiller Barrel and Authorizing the City Manager to Execute Purchase Order to Indoor Environmental Services (\$57,325)" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-4 Adopted Resolution No. 2008-62 awarding the contract for Maintenance of the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 for Fiscal Year 2008-09 to Odyssey Landscaping Company, Inc., in the amount of \$26,780.
- E-5 Accepted the improvements under "Lane Line Painting, Various City Streets, 2007" contract.
- E-6 Adopted Resolution No. 2008-63 approving the Addendum to Improvement Agreement for Public Improvements at 856 North Sacramento Street to provide one-year time extension and authorizing the City Manager to execute the agreement on behalf of the City.
- E-7 Adopted Resolution No. 2008-64 extending the White Slough Water Pollution Control Facility (WSWPCF) agricultural leases for the period of January 1, 2009 through December 31, 2013, for agricultural land at WSWPCF and authorizing the City Manager to execute the lease agreements on behalf of the City.
- E-8 Received the quarterly report of purchases between \$5,000 and \$20,000.
- E-9 Appointed Public Works Director as Alternate to Northeastern San Joaquin County Groundwater Banking Authority.
- E-10 "Adopt Resolution Ratifying Employment Agreement Entered into Between City Manager Blair King and Chief of Police David Main" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.

- E-11 Adopted Resolution No. RDA2008-01 of the Lodi Redevelopment Agency and Resolution No. 2008-65 of the City of Lodi to set public hearing for May 28, 2008, to consider the Lodi Community Improvement Project Redevelopment Plan.

NOTE: Joint action of the Lodi City Council and Redevelopment Agency

ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-3 "Adopt Resolution Authorizing the Emergency Replacement of Damaged City Hall and Carnegie Forum Air Conditioner Chiller Barrel and Authorizing the City Manager to Execute Purchase Order to Indoor Environmental Services (\$57,325)"

Mayor Pro Tempore Hansen pulled this item for further discussion.

In response to Mayor Pro Tempore Hansen, Public Works Director Sandelin stated the life expectancy of the recommended option is approximately 15 to 20 years of service; although, some changes may be forthcoming due to requirements for retrofitting.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Hitchcock second, unanimously adopted Resolution No. 2008-66 authorizing the emergency replacement of damaged City Hall and Carnegie Forum air conditioner chiller barrel and authorizing the City Manager to execute Purchase Order to Indoor Environmental Services in the amount of \$57,325.

- E-10 "Adopt Resolution Ratifying Employment Agreement Entered into Between City Manager Blair King and Chief of Police David Main"

Council Member Hitchcock pulled this item for further discussion.

Council Member Hitchcock stated employment agreements should be placed on the regular calendar and expressed concern that a two-year term of contract is too short to recruit quality candidates from the outside.

Mayor Mounce stated she cannot support the agreement because she is fundamentally opposed to the six-month severance pay clause and she has previously expressed concerns regarding the same when considering other employment agreements.

City Manager King briefly provided an overview of the proposed employment agreement for the Chief of Police and discussed the recruitment process, salary, six-month severance clause, two-year term of the agreement, 10% pay differential, ability to receive up to a 5% increase, consistency with other employment agreements, City vehicle for use, and a one-time uniform allowance.

In response to Council Member Hitchcock, Mr. King stated the request to maintain a 10% pay differential was brought forth by Chief Main, negotiated, and deemed reasonable to include in the proposed agreement.

In response to Mayor Pro Tempore Hansen, Mr. King confirmed a pay differential was also maintained for the Public Works Director position.

Discussion ensued between Council Member Hitchcock, Council Member Johnson, and Mayor Pro Tempore Hansen regarding at-will employees, best recruitment efforts to attract qualified candidates from outside the geographical location, negotiation efforts by individual candidates, and talent retention.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Hansen second, adopted Resolution No. 2008-67 ratifying Employment Agreement entered into between City Manager Blair King and Chief of Police David Main. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, and Katzakian

Noes: Council Members – Hitchcock and Mayor Mounce

Absent: Council Members – None

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Jamie Anaforian invited the City Council and the public at large to participate in the American Cancer Society's Relay for Life event on June 7 – 8, 2008, at the Grape Bowl and the pre-event of Paint Our Town Purple on May 1, 2008.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Mayor Pro Tempore Hansen reported on his attendance at the One Voice trip in Washington D.C. and specifically discussed the Highway 12 project, debate regarding earmarking, and the expiration of federal transportation dollars in 2009.
- Council Member Johnson commended the Downtown Lodi Business Partnership on its beautification efforts of the downtown area. He also discussed the need for organizational scholarships for youth sports programs, provided an overview of public outreach efforts regarding redevelopment, and stated the General Fund would not be liable for debt incurred by the Agency from a bond issuance in connection with redevelopment.
- Mayor Mounce reported on her attendance at the Lodi Youth Commission meeting and encouraged new applicants, including sophomores and juniors, to apply. She also reported on her attendance at the Lodi Academy's 100th Anniversary event, stated that Lodi had the lowest foreclosure rate in the County, and requested an update on the Cherokee Lane murals.
- Council Member Hitchcock congratulated Blue Shield and Lodi Memorial Hospital on the progress of their respective new developments.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King stated staff has been in contact with PG&E who is responding favorably with respect to the mural and an update will be provided in the near future.

I. PUBLIC HEARINGS

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the public hearing to consider the Annual Report for Sidewalk Repairs and to confirm the Report as submitted by the Public Works Department. **NOTE: This item is a quasi-judicial hearing and requires disclosure of ex parte communications as set forth in Resolution No. 2006-31**

City Manager King and Public Works Director Sandelin briefly introduced the subject matter of the annual report for sidewalk repairs in the City.

Streets & Drainage Manager George Bradley provided an overview of the staff report as presented with the agenda, stating 2 out of the 15 properties did not comply, for which authorization to place a lien on the property is requested.

In response to Council Member Hitchcock, Mr. Bradley stated the close proximity of the location of the two properties that did not perform is a coincidence.

In response to Council Member Hitchcock, Mr. King stated the recommendation is to prepare a lien to collect the costs after repairing the sidewalk.

In response to Council Member Hitchcock, City Attorney Schwabauer stated there is an alternative of not performing the actual work until the lien is placed if there is a desire to immediately protect the property against sale.

In response to Council Member Hitchcock, Mr. Schwabauer stated a lien cannot be placed automatically to allow for the appeals process, which is consistent with the Streets and Highways Code.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Johnson second, unanimously confirmed the Annual Report for Sidewalk Repairs as submitted and revised by Blue Sheet by the Public Works Department, determined the method of payment, assessed the cost of repairs to the affected properties, and ordered the preparation of a Notice of Lien to be filed with the tax collector.

- I-2 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the public hearing to consider adopting resolution adjusting Consumer Price Index-based water and wastewater rates.

City Manager King briefly introduced the subject matter of adjusting the Consumer Price Index (CPI)-based water and wastewater rates.

Public Works Director Sandelin provided an overview of the affect of the proposed CPI increase for a standard three-bedroom home.

In response to Mayor Mounce, Mr. Sandelin stated he does not have readily available the rates for the SHARE program or other discounted program, but he will provide that information to the Council.

Hearing Opened to the Public

- Barbara Flockhart spoke in opposition to the proposed increase based on her concerns that the increases since 2002 have been significant.
- Bill Crow stated he is opposed to the proposed increase.
- Eunice Friederich spoke in opposition to the proposed increase based on her concerns regarding the rates she is paying for a vacant house.

Public Portion of Hearing Closed

Council Member Johnson stated there is a need to comprehensively look at moving the costs and rates closer together.

Mayor Mounce stated she is not in favor of the proposed increase in light of the lack of information regarding the SHARE and discount programs.

Council Member Hitchcock stated she is in favor of doing smaller incremental increases rather than larger one-time increases.

In response to Mayor Pro Tempore Hansen, Mr. Sandelin stated the information was obtained from the applicable San Francisco-Bay Area Index as published from December 2006 to December 2007, which shows 3.84%.

In response to Council Member Johnson, Mr. Sandelin confirmed that in the specified period of time the CPI went up 3.84% and any SHARE or discount program rates would go up accordingly as well.

In response to Council Member Hitchcock, Mr. Sandelin stated the increase in 2005 was in anticipation of the PCE/TCE litigation.

Mayor Mounce expressed her concern regarding utilizing different CIP indexes.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, adopted Resolution No. 2008-68 adjusting CPI-based water and wastewater rates. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, and Katzakian

Noes: Council Members – Johnson and Mayor Mounce

Absent: Council Members – None

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

a) The City Council, on motion of Mayor Mounce, Hitchcock second, unanimously directed the City Clerk to post for the following vacancies:

Lodi Arts Commission

Petra Gillier

Term to expire July 1, 2009

Karen Mattei

Term to expire July 1, 2011

J-3 Miscellaneous – None

RECESS

At 8:26 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 8:36 p.m.

K. REGULAR CALENDAR

K-1 "Provide Staff Direction Regarding Water and Wastewater Rate Revenue Accounting"

City Manager King provided a brief introduction of the water and wastewater rate revenue accounting and the recommendation based on moving forward from the present time without retroactivity.

Public Works Director Sandelin provided a PowerPoint presentation regarding the infrastructure replacement charges and fund balance. Specific topics of discussion included, but were not limited to, an outline, water services funds, historical background, the problem, the cause, the fix, rate issues, progress, 2001 rate issues, reserves, infrastructure replacement, regulatory and other requirements, operations and maintenance costs, range of revenue requirements, recommendations, and supplemental information.

Discussion ensued between Mayor Pro Tempore Hansen, Council Member Hitchcock, and Mr. Sandelin regarding the previous recommendation from years ago to add 1% per year, which would allow for a 100-year replacement schedule. They also briefly discussed the history of the City's infrastructure since its inception.

In response to Mayor Mounce, Mr. Sandelin stated approximately 20% to 25% of the proposed improvements have been made in the aging part of town.

In response to Council Member Hitchcock, Mr. Sandelin stated that in 2001 the rate was designed to collect approximately \$2.2 million in water and \$1.8 million in wastewater for a total collection of \$4 million. He stated the in-lieu transfers were \$300,000 for water and \$200,000 for wastewater.

Discussion ensued between Council Member Johnson, Council Member Hitchcock, and Mayor Mounce regarding the intent of the City Council for the money to be solely dedicated for infrastructure replacement and the former Public Works Director's understanding that the money was for general infrastructure purposes.

In response to Council Member Katzakian, Mr. Krueger and Mr. Sandelin stated approximately \$2.4 million was spent on infrastructure.

In response to Mayor Mounce, Mr. Krueger confirmed the water and sewer capital numbers reflect infrastructure replacement.

In response to Council Member Hitchcock, Mr. King confirmed that the infrastructure account is being borrowed against to cover operation costs.

Council Member Hitchcock stated she is not comfortable with a redesignation and suggested that staff come back to the Council in the near future with a policy on how to address future operation costs.

In response to Mayor Pro Tempore Hansen, Deputy City Manager Krueger stated the slide is a nine-month into the future projected number and the actual infrastructure number is positive, while the related operations and maintenance numbers are negative.

Discussion ensued between Mayor Pro Tempore Hansen and Mr. Sandelin regarding the possibility of a rate increase for operations and maintenance versus for a new water treatment facility and the consideration of other factors such as regulatory fees and the existing White Slough facility.

Mayor Mounce suggested tabling the matter until staff can return with a reasonable business plan for the same.

In response to Council Member Hitchcock, Mr. Krueger stated about \$850,000 on average per year for the last seven years has been spent on infrastructure.

In response to Ann Cerney, Mr. Schwabauer stated a rate model was prepared that made certain assumptions with respect to the litigation and clean-up efforts and for settlement purposes was fairly accurate. He stated the clean-up costs are ongoing and as a result unknown.

Mayor Mounce suggested bringing back a plan to move forward to address both the infrastructure and operations and maintenance pieces without an increase.

Mayor Pro Tempore Hansen suggested coming up with a plan that provides balance but does not include retroactivity.

Council Member Hitchcock stated she would like more detailed information along with a long-term budget addressing the matter.

Mr. King discussed bringing back a rate model, the public policy to have an infrastructure replacement policy in place, options associated with rate increases, the possibility of performing a rate study, and consideration of the 2008-09 budget regarding the same.

In response to Council Member Katzakian, Mr. King confirmed that there really is no option but to do a rebalancing at this time.

In response to Mayor Pro Tempore Hansen, Mr. King stated detailed analysis showing the deficit amount on an annual basis has not yet been performed.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated a rate adjustment was done for the Electric Utility, along with the energy cost adjustment, which proved to be sufficient. He stated in water and wastewater there is no such variableness.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated the deficit may be eliminated in three to four years if the balance of accounts is used without addressing more extensive infrastructure needs.

In response to Council Member Katzakian, Mr. Krueger stated the environmental clean up is separate from the running averages of the current accounts.

Mr. King summarized that currently no changes will be made with respect to accounting, and staff will try to accelerate the work on the revenue rate model and bring the matter back to Council, review how much infrastructure can be accommodated on an annual basis, and review what the actual operations and maintenance costs are. He stated the objective is to find out how infrastructure set aside is necessary and establish an appropriate reserve.

MOTION/ VOTE:

There was no Council action taken on this matter.

- K-2 "Introduce Ordinance Repealing and Reenacting Ordinance No. 964 in its Entirety Regarding a Specific Plan for South Hutchins Street Between West Kettleman Lane and West Harney Lane to Revise the Reverse Frontage Fence Design"

City Manager King briefly introduced the subject matter of replacement of the subject fence corridor.

Public Works Director Sandelin provided an overview of the subject matter. He specifically discussed the grape stake fence design, deterioration of the same, material and supply costs, recommendation to replace with matching slump stone, work to be completed one section at a time, the withstanding of more usage over a period of time, 19 requests for replacement, patchwork approach for a short time period, and replacement of approximately 30,000 feet of grape stake fence at a cost of \$3.5 million.

In response to Council Member Johnson, Mr. Sandelin stated the property owners across from Kofu Park had the choice of either replacing the fence themselves or receiving some City participation for concrete fencing.

Discussion ensued between Council Member Johnson, Council Member Hitchcock, and City Attorney Schwabauer regarding fencing being the responsibility of the property owners and the City in some cases, fencing along Ham Lane, fencing near Kofu Park and sound protection from the skate park, developer fees from new subdivisions for fencing purposes, and future services to be provided by lighting and landscaping districts. Mr. Schwabauer stated in the current instance the City previously accepted fences as public improvements from the developer and took on the responsibility, which is no longer done.

Council Member Johnson requested information regarding the previous discussion with the Lodi Unified School District regarding fence replacement.

In response to Council Members Johnson and Hitchcock, Mr. Schwabauer stated the previous ordinance, which required the grape stake design, can be amended or repealed to require a new type of fencing.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Katzakian second, introduced Ordinance No. 1811 repealing and reenacting Ordinance No. 964 in its entirety regarding a Specific Plan for South Hutchins Street between West Kettleman Lane and West Harney Lane to revise the reverse frontage fence design. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Mounce

Noes: Council Members – Johnson

Absent: Council Members – None

- K-3 “Adopt Resolutions Approving State Mandated Rules for Owner Participation, Re-Entry, and Relocation Methods for the Lodi Community Improvement Project”

NOTE: Joint action of the Lodi City Council and Redevelopment Agency

Council Member Hitchcock recused herself from the dais for all purposes on this matter.

City Manager King provided a PowerPoint presentation regarding the adoption of resolutions approving State mandated rules for owner participation, re-entry, and relocation methods for the Lodi Community Improvement Project. Specific topics of discussion included the specific rules as set forth in State law, the lack of eminent domain, Health and Safety Code Section 3339, desire for rehabilitation and improvement of properties, noticing, process of the initial evaluation, and re-entry and relocation examples.

In response to Mayor Mounce, Mr. King stated eminent domain would not be available to the Redevelopment Agency for a public project.

In response to Mayor Mounce, Mr. King stated owner participation assistance would not be available to an owner for rehabilitation until tax increment is collected and budget is formed.

In response to Council Member Johnson, Mr. King stated the seven-year repayment he referred to was an example only and the actual time period can be set as needed with good business principles in mind based on the situation.

Ann Cerney spoke in opposition to the matter based on her concerns regarding affordable housing, the power of eminent domain if there is an amendment to the project at a later date, property owner rights, noticing for owner participation, owners to do improvements themselves and obtain certificate of compliance regarding the same, business permit issuance, and the overall need for strong protection rules for owners and tenants. Mr. Schwabauer stated the rules provide a fair opportunity to participate and would need to be amended with a new and costly redevelopment plan amendment process if there are substantive changes.

In response to Mayor Mounce, Mr. Schwabauer confirmed the referendum process would be available for amendments as well.

In response to Ann Cerney, Mr. Schwabauer and Mr. King stated that, for a significant project change, a supplemental Environmental Impact Report would be required pursuant to Health and Safety Code Section 33352.

MOTION / VOTE (joint action of the City Council and Redevelopment Agency):

The City Council and the Redevelopment Agency of the City of Lodi, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously adopted the following resolutions with the addition that notice shall also be provided through the annual budget process:

- Resolution No. RDA2008-02 of the Redevelopment Agency approving rules to aid in the participation of property owners and re-entry preferences for property owners and business tenants in the Lodi Community Improvement Project;

- Resolution No. 2008-69 of the City Council concurring with the Redevelopment Agency's adoption of rules to aid in the participation of property owners and re-entry preferences for property owners and business tenants in the Lodi Community Improvement Project;
- Resolution No. RDA2008-03 of the Redevelopment Agency approving the State of California Relocation Law by reference as the relocation method for the Lodi Community Improvement Project; and
- Resolution No. 2008-70 of the City Council concurring with the approval of the Redevelopment Agency for method of relocation for the Lodi Community Improvement Project.

K-4 "Approve Expenses Incurred by Outside Counsel/Consultants Relative to Various Litigation Cases (\$9,805.79)"

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously approved the expenses incurred by outside counsel/consultants relative to various litigation cases in the amount of \$9,805.79, as detailed below:

Kronick Moskovitz Tiedemann & Girard - Invoices Distribution

Matter No.	Invoice No.	Date	Description	100351.7323	Water Acct.
11233.026	238199	03/25/08	Lodi First v. City of Lodi	\$ 6,026.29	
11233.029	238199	03/25/08	AT&T v. City of Lodi	\$ 112.50	
11233.030	238199	03/25/08	Water Supply Issues - Not PCE Related		\$ 3,667.00
			Subtotals	\$ 6,138.79	\$ 3,667.00

L. ORDINANCES

L-1 Following reading of the title of Ordinance No. 1810 entitled, "An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code Section 2.08.020 Relating to City Council Salaries as Authorized by Government Code Section 36516 (a) (3)," having been introduced at a regular meeting of the Lodi City Council held April 2, 2008, the City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, waived reading of the ordinance in full and adopted and ordered it to print by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Johnson, and Katzakian
 Noes: Council Members – Mayor Mounce
 Absent: Council Members – None
 Abstain: Council Members – None

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 10:51 p.m.

ATTEST:

Randi Johl
 City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MAY 7, 2008**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of May 7, 2008, was called to order by Mayor Pro Tempore Hansen at 5:48 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Actual Litigation: Government Code §54956.9; Three Applications; John Walker v. City of Lodi; WCAB Case Numbers STK 0156990 – 4/11/2000; STK 0156991 – 1/31/00; and STK 171305 – 4/11/00
- b) Actual Litigation: Government Code §54956.9(a); One Case; Sciarini v. City of Lodi, et al., San Joaquin County Superior Court, Case No. CV034596
- c) Actual Litigation: Government Code §54956.9; Calvin Wadlow v. City of Lodi; WCAB Case Number STK0189440– 1/30/2003 and 4/18/2003
- d) Prospective Acquisition of Real Property Located at 232 North Washington Street (APN #043-087-17); 242 Rush Street (APN #043-090-13); and 420 E. Lockeford Street (APN #043-202-29), Lodi, California; the Negotiating Parties are City of Lodi and Union Pacific Railroad Company; Government Code §54956.8
- e) Conference with Dean Gualco, Human Resources Manager (Labor Negotiator), Regarding Association of Lodi City Employees Regarding General Services and Maintenance & Operators Pursuant to Government Code §54957.6
- f) Actual Litigation: Government Code §54956.9(a); One Case; People of the State of California; and the City of Lodi, California v. M & P Investments, et al., United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM

C-3 ADJOURN TO CLOSED SESSION

At 5:48 p.m., Mayor Pro Tempore Hansen adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 6:45 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:01 p.m., Mayor Mounce reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

In regard to Items C-2 (a), C-2(b), and C-2(c), settlement direction was given.

In regard to Item C-2 (d), negotiating direction was given.

Item C-2 (e) was not discussed.

In regard to Item C-2 (f), settlements were approved in the amounts of \$15,000 for Connie Dewalt Scott and \$50,000 for Judith and Joseph Newfield/United Dry Cleaners.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of May 7, 2008, was called to order by Mayor Mounce at 7:03 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Ken Owen, Christian Community Concerns.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mounce.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 (a) Police Chief David Main announced that Citizen Service Awards and Certificates of Recognition would be presented to the following individuals (who were unable to attend the meeting) in recognition of their heroism for going above and beyond to help someone in need during an incident at a gas station on Cherokee Lane on April 23, 2007:

David Rivas, Ruth Ann Ruiz-Gomez, Lucia Montour

D-2 (a) Mayor Mounce presented a proclamation to Police Chief David Main proclaiming the month of May 2008 as "Peace Officer Memorial Month" in the City of Lodi.

D-2 (b) Mayor Mounce presented a proclamation to Charlie Swimley, Water Services Manager, proclaiming the week of May 18 – 24, 2008, as "National Public Works Week" in the City of Lodi.

D-2 (c) Mayor Mounce presented a proclamation to Nancy Beckman, Executive Director of the Lodi Conference and Visitors Bureau (LCVB), and Dale Gillespie, LCVB Board Chair, proclaiming the week of May 10 – 18, 2008, as "National Tourism Week" in the City of Lodi.

D-2 (d) Mayor Mounce presented a proclamation to Jennifer Perrin, Deputy City Clerk, proclaiming the week of May 4 – 10, 2008, as "National Municipal Clerks Week" in the City of Lodi.

Mayor Mounce further presented a proclamation to Mark Chandler, Executive Director of the Lodi-Woodbridge Winegrape Commission, proclaiming the week of May 16 – 18, 2008, as "Zinfandel Month" in the City of Lodi.

D-3 Presentations – None

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Johnson, Katzakian second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

E-1 Claims were approved in the amount of \$6,206,220.35.

E-2 The minutes of April 8, 2008 (Shirtsleeve Session), April 15, 2008 (Shirtsleeve Session), April 22, 2008 (Shirtsleeve Session), and April 29, 2008 (Shirtsleeve Session) were approved as written.

E-3 Approved the specifications and authorized advertisement for bids for a replacement hydraulic underground cable puller.

E-4 Adopted Resolution No. 2008-71 awarding the purchase of a 55' material handling bucket truck to Altec Industries Inc., of Dixon, California, in the amount of \$197,452.95.

E-5 Adopted Resolution No. 2008-72 approving the purchase of bronze "Celebration of the Harvest" sculpture by Rowland Cheney to be located on the corner of School and Oak Streets in Downtown Lodi in the amount of \$153,000.

E-6 Adopted Resolution No. 2008-73 approving the purchase of pergola art piece titled "Better Days" by Jarrod Mays to be located on the corner of Lodi Avenue and Washington Street in the amount of \$86,000.

- E-7 "Adopt Resolution Awarding Contract for Lower Sacramento Road West Frontage Road Wastewater Pipe Improvement (Bayberry Drive to Tejon Street) to Granite Construction Company, of Watsonville (\$83,677), and Appropriating Funds (\$100,400)" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**
- E-8 Accepted the improvements for the "Henry Graves Park and Beckman Park Restroom Replacement, 2206 Oxford Way and 1426 West Century Boulevard" contract.
- E-9 Adopted Resolution No. 2008-74 approving Addendum to Improvement Agreement for Interlake Square, Tract No. 3532, to provide one-year time extension and authorizing the City Manager to execute the agreement on behalf of the City.
- E-10 Approved the installation of winery signs by the Lodi-Woodbridge Winegrape Commission in Downtown on City property.
- E-11 "Adopt Resolution Approving Submittal of Grant Documents to Office of Homeland Security for Proposition 1B Transit Security Funds and Authorizing Transportation Manager to Submit All Necessary Paperwork and Reimbursement Requests" was **removed from Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**
- E-12 Adopted Resolution No. 2008-75 amending the City of Lodi Drug Free Workplace Policy and Procedure and adopted Resolution No. 2008-76 amending the City of Lodi Drug and Alcohol Testing Policy and Procedure in accordance with the Federal Transit Administration Drug and Alcohol Program audit.
- E-13 Adopted Resolution No. 2008-77 approving salary adjustment for the following classifications in the Public Works – Water Services Division:
- Wastewater Plant Operator I 10% (new salary range: \$3493.73 - \$4246.65)
 - Wastewater Plant Operator II 10% (new salary range: \$3843.20 - \$4671.44)
 - Wastewater Plant Operator III 10% (new salary range: \$4227.53 - \$5138.58)
 - Laboratory Services Supervisor 5% (new salary range: \$4863.55 - \$5911.68)
 - Chief Wastewater Plant Operator 5% (new salary range: \$4863.55 - \$5911.68)
- E-14 Authorized the City Attorney to issue "comfort letter" to Bank of the West in connection with the lease of property at 229 South School Street.

ACTION ON ITEMS REMOVED FROM CONSENT CALENDAR

- E-7 "Adopt Resolution Awarding Contract for Lower Sacramento Road West Frontage Road Wastewater Pipe Improvement (Bayberry Drive to Tejon Street) to Granite Construction Company, of Watsonville (\$83,677), and Appropriating Funds (\$100,400)"

NOTE: Due to a potential conflict of interest with respect to her owning stock in the subject company, Mayor Mounce abstained from discussion and voting on this matter.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Katzakian second, adopted Resolution No. 2008-78 awarding contract for Lower Sacramento Road West Frontage Road Wastewater Pipe Improvement (Bayberry Drive to Tejon Street) to Granite Construction Company, of Watsonville, in the amount of \$83,677, and appropriating funds in the amount of \$100,400. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Johnson, and Katzakian
Noes: Council Members – None
Absent: Council Members – None
Abstain: Council Members – Mayor Mounce

- E-11 "Adopt Resolution Approving Submittal of Grant Documents to Office of Homeland Security for Proposition 1B Transit Security Funds and Authorizing Transportation Manager to Submit All Necessary Paperwork and Reimbursement Requests"

This item was pulled by Council Member Johnson for further discussion.

Transportation Manager Tiffani Fink stated the primary piece of the grant is procuring a key card access system that is similar to the one utilized by the Police Department. She stated the current door button system is not as secure because the facility is utilized by many agencies and the key card system would allow the City to monitor access to the facility, generally allow for a higher level of security, and continue to allow access for multiple individuals, including the Partners, into specific areas of the facility.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Mounce second, unanimously adopted Resolution No. 2008-79 approving submittal of grant documents to Office of Homeland Security for Proposition 1B transit security funds and authorizing the Transportation Manager to submit all necessary paperwork and reimbursement requests.

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Barbara Parrish spoke in opposition to any increase in Dial-A-Ride rates based on transportation concerns for the elderly and disabled.
- Jan Alexander, representing "Thrive and Financial for Lutherans for San Joaquin County," stated this month is "Join Hands" month and the Lutheran churches in the area are working on "Project Hope" to help youth as they exit foster care programs. She invited the public and City Council to attend a pack and pizza party on May 8, 2008, for the same.
- David Williamson spoke in opposition to any increase in Dial-A-Ride rates based on transportation concerns for the elderly and disabled.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Mayor Pro Tempore Hansen reported on his attendance at the Chamber of Commerce sponsored event pertaining to redevelopment held at Lincoln Technical Academy.
- Mayor Mounce reported on her attendance at the Lodi Youth Commission dance held the weekend prior and commended the organizers for the success of the event.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King invited the public to attend the Open House for the General Plan amendment alternatives on May 10, 2008, at Hutchins Street Square. Mr. King also encouraged individuals interested in paratransit services to speak with Transportation Manager Tiffani Fink with respect to routing options.

I. PUBLIC HEARINGS

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the public hearing to consider resolution adopting Engineer's Report, confirming assessments, overruling protests, and declaring assessment ballot results and annexing territory into the Lodi Consolidated Landscape Maintenance Assessment District 2003-1 and forming Luca Place Zone 14, Guild Avenue Industrial Zone 15, and West Kettleman Lane Commercial Zone 16. *NOTE: This item is a quasi-judicial hearing and requires disclosure of ex parte communications as set forth in Resolution No. 2006-31.*

City Manager King and Public Works Director Sandelin briefly introduced the subject matter of the proposed assessment for Landscape Maintenance Assessment District 2003-1.

Senior Civil Engineer Sharon Welch provided a brief presentation regarding the history and status of the landscape maintenance district, the proposed annexation, services to be provided and the content of the engineer's report, as outlined in the staff report.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

City Clerk Johl reported that the election results were as follows:

Zone 14

Property owner Costamagna Partners, LP (APN 027-420-09) represents 100% of the total assessment, which equals \$2,936.24. This property owner voted in favor of the assessment.

The assessment for Zone 14 was successful by a 100% majority vote.

Zone 15

Property owner Vernon J. & Jenise M. Vierra, TR (APN 049-340-38) represent 9.08% of the total assessment, which equals \$42.34. This property owner voted in favor of the assessment.

Property owner Gregory H. & Deidra Carpenter (APN 049-330-11) represent 28.27% of the total assessment, which equals \$131.78. This property owner voted in favor of the assessment.

Property owner Richard H. Kulka (APNs 049-330-04 and 049-330-10) represents 62.65% of the total assessment, which equals \$292.10. This property owner voted in favor of the assessment.

The assessment for Zone 15 was successful by a 100% majority vote.

Zone 16

Property owner R. Thomas Development, Inc. et al. (APN 031-330-10) represents 34.73% of the total assessment, which equals \$91.98. This property owner voted in favor of the assessment.

Property owner Eagle Credit Union (APN 049-340-12) represents 65.27% of the total assessment, which equals \$172.86. This property voted in opposition to the assessment.

The assessment for Zone 16 was not carried as it only received a 34.73% majority vote.

MOTION #1 / VOTE:

The City Council, on motion of Council Member Johnson, Hitchcock second, unanimously adopted Resolution No. 2008-81 adopting Engineer's Report, confirming assessments, overruling protests, and declaring assessment ballot results and annexing territory into the Lodi Consolidated Landscape Maintenance Assessment District 2003-1 and forming Luca Place Zone 14 and Guild Avenue Industrial Zone 15.

MOTION #2 / VOTE:

The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously continued the subject public hearing to May 21, 2008, to consider forming West Kettleman Lane Commercial Zone 16.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) The City Council, on motion of Mayor Pro Tempore Hansen, Hitchcock second, unanimously made the following appointment:

Lodi Budget/Finance Committee

Keith Vargem Term to expire June 30, 2009

J-3 Miscellaneous – None

K. REGULAR CALENDAR

K-1 “Adopt Resolution Approving the Loan Request of Walker-Roderick Properties LLC, Pat Walker and Jack Roderick, Guarantors, Through the Community Development Block Grant Funded Revolving Loan Fund Program as Recommended by the City Manager”

Community Improvement Manager Joseph Wood provided a PowerPoint presentation regarding the Revolving Loan Fund (RLF) program. Specific topics of discussion included the RLF program development, program elements, review of the process, and the current loan request. Additionally, he discussed Community Development Block Grant (CDBG) funding, loan format, criteria for job creation, loan terms, interest rate, collateral, eligible uses, application review, program operator review, Loan Advisory Committee, City Manager review, loan documents and closing, loan servicing and monitoring, Walker-Roderick Properties, coin-operated laundromat, proposed use of funds, sufficient experience and financial characteristics, and the recommended action regarding the same.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the purpose of the program is to continue to put funds back into the program to allow for greater assistance, the creation of jobs, and provide benefit to low- and moderate-income residents in the area.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated that, if the conditions of the loan are not met, including specified job creation, the City has the option of calling the loan as due.

In response to Council Member Hitchcock and Mayor Pro Tempore Hansen, Mr. Wood confirmed that the Committee did discuss the applicant's ability to create jobs and made its recommendation on the belief that there would be job creation.

In response to Council Member Hitchcock, Wendell Youngsma, RLF program director for San Joaquin County, stated the \$1,500 amount is for two employees and the \$3,000 amount is for four employees. Jack Roderick, the applicant, stated the numbers are soft projections based on surveys of the community and other laundromats in the area and the proposed business can run four full-time employees.

In response to Council Member Hitchcock, Mr. King stated the applicant can supply new numbers, which can be run through the Committee again or put certain conditions regarding the number of employees on the loan.

In response to Mayor Pro Tempore Hansen, Applicant Pat Walker stated there will be approximately 22 washers and 20 dryers, a full-time attendant will be present in addition to the owners at the start of the business, and there will be additional employees at a later date. There was also a brief discussion regarding self-laundering versus sending laundry out to be cleaned and competition with similar businesses.

In response to Council Member Johnson, Mr. Walker stated all the laundromats surveyed have attendants for maintenance and protection purposes. Mr. King stated the Committee did review the entrepreneurial business sense of the applicants.

In response to Council Member Johnson, Mr. Wood stated security behind the loan, which the program director believes to be reasonable, includes the equipment valued at \$80,000 and a third deed of trust valued at \$60,000.

Council Member Hitchcock stated she cannot support the recommendation of \$140,000 for the addition of two people, but will support half the loan amount at \$70,000, unless the applicant would like to resubmit projections for four employees.

In response to Council Member Katzakian, Mr. Wood confirmed that the loan being requested is \$140,000 of the proposed \$257,000 and the direction is clear with respect to prevailing wages.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the Committee includes two local banking officials and a business owner. Mr. Wood also stated a Pacific State Bank representative sits on the County Committee and, although he requested additional information, he had no qualms about recommending the loan for the applicants after review of the same.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the Department of Housing and Urban Development (HUD) allows the City to establish guidelines with respect to the time period for conditions and a 12-month period would be reasonable pursuant to the same.

Discussion ensued between Mayor Pro Tempore Hansen, Mayor Mounce, and Mr. Wood regarding the requirements for minimum wage, the 875 hour requirement for permanent part-time, two full-time employees as equivalent, and 32 hours being considered a full-time employee.

In response to Mayor Pro Tempore Hansen, Mr. Wood confirmed that the Committee was presented with the same information regarding job creation and recommended approval.

In response to Mayor Pro Tempore Hansen, Mr. King stated the City can use either the State CDBG guidelines or the federal HUD guidelines.

In response to Mayor Pro Tempore Hansen, Mr. Youngsma stated the application is as about as good as it gets, the linen workers are both commercial and residential, and the values are covered under additional collateral and personal guaranties of the borrowers if the corporation cannot pay.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Mounce second, adopted Resolution No. 2008-80 approving the loan request of Walker-Roderick Properties LLC, Pat Walker and Jack Roderick, Guarantors, through the Community Development Block Grant funded Revolving Loan Fund Program as recommended by the City Manager. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Katzakian, and Mayor Mounce

Noes: Council Members – Hitchcock

Absent: Council Members – None

RECESS

At 8:46 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 8:57 p.m.

K. REGULAR CALENDAR (Continued)

K-2 "Approve Business Points for Solid Waste Franchise Renewal"

Public Works Director Sandelin provided a PowerPoint presentation regarding the solid waste franchise renewal business points. Specific topics of discussion included background, negotiation goals, draft business points, solid waste, green waste, recycling, hazardous waste, billing service, street cleaning, trash collection and leaf pick-up service, annual collection rate adjustments, renewal terms, technical ordinance revisions, compactor rates, level of service, annual financial impact and savings, rate impacts, and summary of business points.

In response to Council Member Hitchcock, Mr. Sandelin confirmed that a meeting with the employees generated the awareness that employees did not want a change in service and they wanted to keep providing the service for a variety of reasons.

In response to Mayor Pro Tempore Hansen, Mr. Sandelin stated that some of the difference in service in the downtown area and cans at the bus stops may have been due to the \$500,000 reduction in the streets budget a few years ago. Mr. King stated the net result increase of \$500,000 in the franchise fee may be used for clean-up efforts in the downtown area and may be directed to fund positions in the street division, which may allow for greater service to the downtown as well. A brief discussion ensued between Mayor Pro Tempore Hansen and Mr. Sandelin regarding a previous waste services subcontract for the downtown.

In response to Mayor Pro Tempore Hansen, Mr. King and Mr. Sandelin confirmed that approximately \$70,000 will go to the parks side.

In response to Council Member Hitchcock, Mr. Sandelin confirmed that the current franchise fee of 4.8% is changing to 10.8%. Mr. King stated staff is recommending approval of the general business points and specific fees and rates are yet to be negotiated. Discussion ensued between Council Member Hitchcock and Mr. Sandelin regarding how the franchise fee compares to other communities, how such fees are calculated, and the fees in Stockton, Tracy, Galt, Davis, Modesto, and Manteca.

In response to Mayor Pro Tempore Hansen, Mr. King stated the proposed agreement will allow for safeguards for the franchise fee such as extra costs associated with fuel. He stated they are not giving up a year of the agreement because the term of the next proposed agreement would be eight years.

Mark Ruggiero spoke in favor of the proposed business points and staff recommendation, stating the employees support the same.

Thom Sanchez spoke in favor of the proposed business points and staff recommendation, stating he supported a long-term agreement, franchise fees generally average between eight and ten percent, and the City would receive a payment minus the franchise fee, which is how the amounts are kept separated.

Discussion ensued between Council Member Hitchcock and Thom Sanchez regarding service for the city of Stockton, 4.8% as being all inclusive, comparisons in rate increases in the City and other communities, differences in service, and an overview of rates and fees in other cities serviced by Waste Management.

In response to Council Member Hitchcock, Mr. Sandelin confirmed that staff researched and studied information from other communities on its own in addition to looking at the information supplied by Waste Management.

Mr. King clarified that the franchise fee is not a part of the rate increase.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Mounce second, unanimously approved the following Business Points for solid waste franchise renewal:

1. Street sweeping – Central Valley Waste Services (CVWS) will pay to the City \$470,000 annually as reimbursement of costs associated with street sweeping, leaf pickup, downtown cleaning and bus stop trash collection. The amount of the payment will annually increase by 80 percent of the change in the Consumer Price Index (CPI). CVWS will waive the tipping fees charged for dumping the street cleanings and fall leaves, a value of approximately \$50,000.
2. Parks trash collection – CVWS will pay to the City \$71,500 annually as reimbursement of costs associated with trash collection at City parks. The amount of the reimbursement will annually increase by 80 percent of the change in the CPI.
3. City service – CVWS will service the trash containers/bins at City facilities, including parks, at no charge to the City, a value of approximately \$70,000.
4. Billing service – CVWS will continue to reimburse the City for a share of billing expenses, and the amount will annually increase by 80 percent of the change in the annual CPI. For the past several years, the amount has been fixed.
5. Hazardous waste – CVWS will host quarterly electronic/universal waste and annual household hazardous waste collection events at its Turner Road facility or other Lodi location.
6. Annual rate adjustments – will be 80 percent of the change in the annual CPI.
7. Renewal term – is another eight years with one CVWS option to renew for an additional seven years. Staff recommends that the new term start January 1, 2009.
8. Technical ordinance revisions – CVWS has asked for clarification of some definitions of service classes.
9. Compactor rates – CVWS has asked for a new rate for servicing certain types of large trash compactors that are labor intensive.

K-3 “City Council Participation in Review of Applicants for Community Development Director”

MOTION / VOTE:

The City Council, on motion of Mayor Mounce, Hansen second, unanimously selected Council Members Johnson and Hitchcock to participate in the review of applicants for Community Development Director.

RECESS

At 9:37 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 9:43 p.m.

K. REGULAR CALENDAR (Continued)

K-4 “Review of the 2008-09 Draft Budget”

City Manager King provided a PowerPoint presentation regarding the Fiscal Year 2008-09 proposed budget. Specific topics of discussion included important considerations for the General Fund, Triple Flip and sales tax revenues, and a review of individual departmental budget presentations, as set forth in the presentation documentation, including the summary sheet, current year accomplishments, and future year goals.

In response to Council Member Hitchcock, Mr. Krueger stated the 9.8 figure includes both in-lieu sales tax and general sales and use tax and there is a projection of a \$250,000 increase in overall sales tax.

In response to Mayor Mounce, Mr. Wood stated the provisions for code enforcement were adopted and enacted, including the provisions with respect to administration of citation and non-compliance fees. Mayor Mounce requested additional information regarding revenues for code enforcement fees.

In response to Council Member Hitchcock, Mr. King stated an agreement has not yet been reached with respect to the Lodi Unified School District and the after school program. Interim Parks and Recreation Director Steve Dutra stated technically there are two programs for the ACES/Bridges program. Discussion ensued regarding the possible reduction of the City staff and increase of the school district staff. Mr. Krueger stated the estimate for the after school programs is on page 51; although, there is no agreement as of the current date.

Fire Department

In response to Council Member Hitchcock, Fire Chief Pretz stated the \$49,000 line item on page 26 refers to plan check and related fees, which were since transferred to Community Development.

In response to Council Member Hitchcock, Mr. Krueger confirmed that some fees for some projects were reduced throughout the year and the \$380,000 amount on page 27 refers to larger project fees such as Delta College and possible reimbursement fees.

In response to Council Member Hitchcock, Chief Pretz and Mr. Krueger stated the outside services line item on page 27 includes properties services provided outside of the City limits and includes the Flag City signing bonus.

In response to Council Member Hitchcock, Mr. Krueger confirmed the PL/PD line item reduction refers to the self-insurance.

Discussion ensued between Council Member Hitchcock and Chief Pretz regarding approximately \$261,000 in overtime savings, \$80,000 reduction in training, the remainder based on unanticipated leaves including sick leave and injury leave, average of one firefighter per year on injury leave, the effect of sick leave on the overtime budget, issue regarding the lack of full staffing, the loss of firefighter applicants in the academy, division chief position being left open and the reasonableness of the proposed savings.

In response to Mayor Pro Tempore Hansen, Chief Pretz stated there are 64 positions authorized, 8 candidates were sent to the academy, 1 candidate has dropped out leaving 7, and assuming there are no more drop outs the 7 will complete the academy in approximately seven weeks. He stated the entire training process including the academy takes approximately 12 months.

In response to Mayor Pro Tempore Hansen, Chief Pretz stated new hires should have an impact on the overtime in the mid-year budget.

In response to Council Member Johnson, Chief Pretz stated generally the new hires are rookies or have some training that is not complete. A brief discussion ensued regarding lateral transfers and the cost of the academy. Mr. King confirmed that the overall Fire Department is increasing.

In response to Council Member Hitchcock, Mr. Krueger stated staff will provide the information pertaining to how the Memorandum of Understanding increases affect the budget as requested.

Mr. King reviewed the employment position changes in the various departments as listed on page 7, including those associated with the Community Center, Community Development, Electric Utility, Finance, Police, Fire, Code Enforcement, Public Works, Library, Parks and Recreation, and the Streets Division.

In response to Mayor Mounce, Mr. Krueger confirmed that the transit fund budget already incorporated the transfer of the Transit Planner position.

In response to Council Member Hitchcock, Human Resources Manager Dean Gualco stated that, with respect to the transferring of positions and how it is connected to the bargaining groups, the City has certain management rights to get tasks completed and also has meet and confer obligations in some cases to discussion items such as wages, salary, and working conditions. Mr. Gualco also discussed assessing the effect of any transfer versus whether it can be done, the need to report and recruit in some cases but not all, and the application of the personnel rules regarding the same.

In response to Mayor Mounce, Mr. Gualco stated a lot of time is being invested with employees and the bargaining groups and staff is both optimistic and realistic with respect to the same.

In response to Council Member Hitchcock, Mr. King stated frozen positions for the 2006 budget were eliminated and the 2007 budget reflects the new frozen positions. He stated the direction was interpreted as a one-year piece rather than policy because of the number of positions that were in question. Mr. King stated on page 373 the non-departmental personnel services line item reduction of \$739,000 is representative of employee turnover, which accounts for employees who leave the organization for a variety of reasons, and this factor is averaged based on previous year turnovers.

In response to Council Member Hitchcock, Mr. King confirmed that the reduction is shown as non-departmental. Mr. Krueger stated the projection is based on statistics from previous years.

Council Member Hitchcock requested quarterly updates on the budget since the budget itself is so tight.

In response to Mayor Pro Tempore Hansen, Mr. King stated the mid-year budget review will be important to audit to ensure the budget with respect to personnel savings is on track.

Police Department

Police Chief Main provided an overview of the budget summary for the Police Department, the 2007-08 year accomplishments, and 2008-09 goals. Chief Main clarified that the dispatcher/jailer position that is left open is for future crime analysis purposes. He stated all dispatch positions for fire services will be covered.

In response to Council Member Johnson, Chief Main stated three dispatchers will work in crime prevention, court services, and communications. Discussion ensued between Council Member Johnson, Chief Main, and Mr. Krueger regarding the need for additional dispatchers to handle calls and a figure of \$60,000.

Discussion ensued between Council Member Hitchcock, Chief Main, and Mr. Krueger regarding the line 7302 reduction on page 55 for the lease program that was less expensive, the change on page 55 regarding the sublet service contract increase due to 911 data contract increases, the change on page 56 for special payments regarding debt service allocation for \$759,000, the change on page 58 for insurance refund from dual coverage, the change on page 65 regarding a regular employee salary increase, and the reduction associated with the code enforcement contract employee position.

Discussion ensued between Mayor Pro Tempore Hansen, Mayor Mounce, Chief Main, and Mr. King regarding pursuing an aggressive spay and neuter program, the application of Community Development Block Grant (CDBG) funding for the same, recommendations from the Task Force for a spay and neuter program, possible adjustments between \$10,000 and \$13,000 from CDBG funding, mid-year budget application, and earmarking undesignated funds.

City Attorney Schwabauer confirmed that the Council provided general direction with respect to animal shelter improvements in relation to CDBG funding options.

MOTION / VOTE:

There was no Council action taken on this matter.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Council Member Hitchcock, Katzakian second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour.

K. REGULAR CALENDAR (Continued)

- K-5 "Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation (\$114,453.58)"

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Mounce second, unanimously approved the expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program Litigation in the amount of \$114,453.58, as detailed below:

Folger Levin & Kahn - Invoices Distribution

Matter No.	Invoice No.	Date	Description	Water Acct. Amount
8002	107776	Feb-08	City v. M&P Investments	\$ 11,073.69
	133694	Mar-08	Hemming Morse, Inc.	\$ 4,656.00
8003	107919	Mar-08	Hartford v. City of Lodi	\$ 454.23
8008	107775	Mar-08	City of Lodi v. Envision	\$ 95,981.43
Total				\$112,165.35

MISCELLANEOUS

Invoice No.	Date	Description	Water Acct. Amount
885901	3/8/2008	Harry A. Cannon, Inc. re: City v. Donovan	\$ 2,288.23
Total			\$ 2,288.23

L. ORDINANCES

- L-1 Following reading of the title of Ordinance No. 1811 entitled, "An Uncodified Ordinance of the City Council of the City of Lodi Repealing and Reenacting Ordinance 964 in its Entirety Setting Forth a Specific Plan for South Hutchins Street between West Kettleman Lane and West Harney Lane," having been introduced at a regular meeting of the Lodi City Council held April 16, 2008, the City Council, on motion of Mayor Mounce, Hansen second, waived reading of the ordinance in full and adopted and ordered it to print by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and
Mayor Mounce

Noes: Council Members – None

Absent: Council Members – None

Abstain: Council Members – None

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:26 p.m.

ATTEST:

Randi Johl
City Clerk

**CITY OF LODI
SPECIAL JOINT INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 20, 2008**

A Special Joint Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council and the Lodi Budget/Finance Committee was held Tuesday, May 20, 2008, commencing at 7:01 a.m.

A. ROLL CALL

Present: Council Members – Hitchcock, Hansen, Johnson, Katzakian, and Mayor Mounce
 Absent: Council Members – None
 Present: Lodi Budget/Finance Committee Members – Kirsten, Russell, Vargem, and
 Chairperson Johnson
 Absent: Lodi Budget/Finance Committee Members – Domingo, Harris-Wall, Roberts
 Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

B-1 "Review of the 2008-09 Draft Budget"

City Manager King briefly introduced the subject matter of the joint meeting between the Lodi Budget/Finance Committee.

Deputy City Manager Krueger reviewed the 2007-08 budget recommendations regarding the energy cost adjustment, Parks & Recreation/Hutchins Square organizational review, Code Enforcement consolidation, financial system, mobile home rates, cable franchise fees, fleet replacement policies, economic development, Community Redevelopment Agency, capital improvements, and deferred maintenance study. He also provided an overview of the current year recommendations including not funding San Joaquin Partnership, Downtown Lodi Business Partnership (DLBP), Parade of Lights, and grants for arts. The Committee did recommend funding an economic development coordinator position and funding the fireworks and 4th of July event with recovery of costs. He also discussed sub-committees to review public safety overtime, skate park, and impact mitigation fees.

In response to Council Member Johnson, Mr. Krueger stated the recommendation is that the sub-committees be formed through the Lodi Budget/Finance Committee, not the City Council. Committee Chair John Johnson stated the recommendation with respect to the Lodi Conference and Visitors' Bureau was based on a discussion with Nancy Beckman with respect to future transient occupancy tax (TOT) application and percentages that may apply.

In response to Mayor Mounce, Mr. Johnson stated the Committee's recommendation is for the City Manager and City Council to work on the TOT percentages. Mr. Krueger stated the Committee may be able to provide some assistance with the same.

In response to Mayor Pro Tempore Hansen, Mr. Johnson stated that, based on a balanced budget, the Committee decided to recommend not funding the San Joaquin Partnership and DLBP and in exchange funding the economic development coordinator position to get the most for the City's dollars. A brief discussion ensued between Council Member Johnson, Mayor Pro Tempore Hansen, and Mr. Johnson regarding whether an economic development coordinator or the Partnership is better suited to represent Lodi.

In response to Council Member Johnson, Mr. King stated there are both arguments in favor of and against funding the San Joaquin Partnership. He stated the arguments against include the organization is heavily favored with the city of Stockton and other communities and less so with Lodi, intra-County relocations, and job creation that is focused on logistics and warehousing, which generally tend to be fewer jobs in larger areas. He stated the arguments in favor include job creation for the entire county, the organization working with cities, and commitment with respect to the Enterprise Zone. Mr. King stated he did not

believe it was the right time to fill an economic development coordinator position in light of budget concerns.

In response to Council Member Hitchcock, City Attorney Schwabauer stated impact fees can be used to expand or create new facilities so long as the growth drives the need for such expansion and creation.

Mayor Mounce stated she would not be opposed to looking at options to make the DLBP more self-reliant at mid-year review or next year so long as there is ample notice given in conjunction with the fiscal year of the DLBP.

In response to Council Member Johnson, Mr. Johnson stated the Committee did not discuss the possible linkage of the DLBP to the Chamber of Commerce.

In response to Mayor Pro Tempore Hansen, Mr. Johnson stated he believes the Committee had a reasonable amount of time to bring forth and consider its recommendations with respect to the economic development coordinator position.

In response to Mayor Pro Tempore Hansen, Mr. King stated economic development is an ongoing process and not a fiscal year based activity. He stated the position may be reviewed after the proper set of tools, such as redevelopment and Enterprise Zone, are in place.

Committee Member Dave Kirsten stated his big concern was public safety overtime and related salaries and provided a brief overview of similar concerns shared in other communities, including Palo Alto and Los Angeles.

In response to Council Member Johnson, Mr. Kirsten stated that, while the Committee may not have the science and/or technical expertise to do an in-depth analysis of the public safety overtime issue, the sub-committee would be able to reasonably work with members of public safety who can provide such information. He stated it may be that nothing can be done. Mayor Mounce suggested speaking with the firefighters directly. Mr. Johnson stated that, in light of the Committee's meeting schedule, the sub-committee should begin to take a look at the public safety overtime issue as soon as feasible.

Mayor Mounce suggested the sub-committee also provide information regarding hiring a fully loaded employee and the use of overtime with respect to when it is more economically feasible to hire a full-time employee versus paying overtime.

In response to Council Member Johnson, Mr. Johnson stated the items that did not make the list because they died on motions that lacked a second included the recreation supervisor position, the JDE program, 1% general fund set side for deferred maintenance, and outsourcing fire services. Mr. Johnson also suggested making the arts a self-sufficient program that does not require City subsidy.

Mayor Mounce stated a special meeting may be held next Tuesday morning, May 27, for budget purposes if the budget is not adopted on Wednesday, May 21.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:15 a.m.

ATTEST:

Randi Johl, City Clerk

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 27, 2008**

The May 27, 2008, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
SPECIAL JOINT CITY COUNCIL MEETING
WITH THE REDEVELOPMENT AGENCY OF THE CITY OF LODI
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MAY 28, 2008**

A. CALL TO ORDER / ROLL CALL

The Special Joint City Council meeting with the Redevelopment Agency of the City of Lodi of May 28, 2008, was called to order by Mayor Mounce at 7:02 p.m.

Present: Council Members/Redevelopment Agency Members – Hansen, Johnson, Katzakian,
and Mayor/Chairperson Mounce

Absent: Council Members/Redevelopment Agency Members – Hitchcock

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. PUBLIC HEARINGS

B-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the joint public hearing of the City Council and the Redevelopment Agency of the City of Lodi to consider a resolution certifying the adequacy of the Final Program Environmental Impact Report for the Lodi Community Improvement Project; a resolution finding that the use of taxes allocated from the Lodi Community Improvement Project for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing outside the Project Area will be of benefit to the Project; and consideration by the City Council of the introduction of an ordinance adopting the proposed Redevelopment Plan for the Lodi Community Improvement Project. *NOTE: Joint action of the Lodi City Council and Redevelopment Agency.*

City Manager King briefly introduced the subject matter of the Final Program Environmental Impact Report for the Lodi Community Improvement Project and proposed Redevelopment Plan for the Lodi Community Improvement Project.

City Attorney Schwabauer stated a conflict of interest analysis was completed pursuant to the Political Reform Act and Fair Political Practices Commission regulations. He stated it was determined that Council Member Hitchcock had a conflict that prevented her from participating based on the ownership of real property in the proposed Project Area.

Mr. King provided a PowerPoint presentation regarding the Lodi Community Improvement Project. Specific topics of discussion included the process of the public hearing, recommendation, proposed Project Area, financial projections, reason for proposed project, overview of provisions in proposed plan, funding source, public outreach efforts, addressing community concerns, and the consultants participating in the same.

Ernie Glover of GRC Redevelopment Consultants provided an overview of the redevelopment process. He specifically discussed qualifications of the firm, redevelopment process in other communities, the non-use of eminent domain, blight designation and the related process, compatible and incompatible uses for future uses of property, home values, hazardous waste and clean-up efforts, crime statistics in the eastern portion of City, funding source for services such as public safety, small business loans and lending options, and possible tax increment application.

Don Frasier of Frasier and Associates provided an overview of tax increment projections. He specifically discussed his firm's qualifications, receipt of greater share of future property tax amounts, local application of future tax increment, payment of property taxes and Proposition 13 application remaining the same, example of when a home is sold how future property tax share is greater for the Redevelopment Agency, revenue projections of approximately 4% per year based on 2% of property tax increase and 2% property changeover, possible \$600 million over next 40 years on present value, additional funding for taxing authorities and school district, consultations with school district, Delta College, San Joaquin County, and the water district, and no opposition from taxing agencies.

In response to Mayor Mounce, City Attorney Schwabauer stated the ordinance will not pass tonight as it must be voted on at a regular meeting. Mr. Schwabauer stated he is hesitant to give legal advice regarding a referendum because, if he gives advice to an individual who is going to circulate a referendum and he is wrong, it places the City in a bad position. Mr. Schwabauer stated that, in providing a response to a Council Member directly, he will state that a referendum generally includes that an ordinance may be subject to a referendum, a standard percentage of signatures is usually 10% based on the last election, specific language indicating what a yes and no vote means, circulation to obtain signatures with the ordinance and proposed language, verification through the City Clerk and Registrar of Voters, ballot placement requirements, preparation of title and summary, and a fiscal analysis. City Clerk Johl stated she concurs with the City Attorney and there are no additional requirements other than those set forth in the Election Code and as indicated by the City Attorney.

Hearing Opened to the Public

- Robert Emmer, representing the Library Board of Trustees, spoke in favor of the proposed Lodi Community Improvement Project based on possible benefits to the Library through improvements to the same.
- Nick Santoya spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness and ballot placement for voter approval.
- Jerold Kyle spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness.
- Ken Bingamaxl spoke in favor of the proposed Lodi Community Improvement Project based on the possible benefit to the proposed development area, including improvements to schools and downtown businesses.
- Phyllis Roach spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness, errors on the current map of the proposed area in comparison to the original map, and housing.
- Constance Zweifel spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding blight designation and ballot placement for voter approval on ballot.
- Eunice Friederich spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness and double dipping for utilities.
- Pat Patrick, representing the Chamber of Commerce as Chief Executive Officer and the Loel Foundation as a Board of Directors member, spoke in favor of the proposed Lodi Community Improvement Project based on possible benefits to businesses, job creation, reduction of crime in the Project Area, improvements to infrastructure, increased property values from redevelopment, and overall benefits to seniors in the community including housing options.
- Barbara Flockhart spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding indebtedness, the lack of voter approval, and the length of possible debt of 40 years.
- John Talbot spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding blight designation and diversion of funding from the County.
- Georgianna Reichelt spoke in opposition to the proposed Lodi Community Improvement Project based on concerns regarding the lack of voter approval through the ballot process, examples of redevelopment in San Diego, funding lost to schools, use of eminent domain, and the need for businesses to take care of their own properties.

- Dale Gillespie, representing himself as a developer and the Loel Foundation as a Board of Directors member, spoke in favor of the proposed Lodi Community Improvement Project based on benefits for senior housing, general affordable housing options, and the City's long history of not using eminent domain that will likely remain the same.
- Nancy Beckman, representing the Lodi Conference and Visitors' Bureau (LCVB), spoke in favor of the proposed Lodi Community Improvement Project based on possible improvements on Cherokee Lane that could be made through redevelopment, which will help keep tourists in the City for lodging purposes.
- Ed Atwood spoke in neutrality to the proposed Lodi Community Improvement Project, stating individuals moving in a blighted area should be screened. He also asked specific questions regarding a parcel of land left outside of the proposed area and the use of redevelopment funds for new structures as well as rehabilitating old ones.
- Chuck Easterling of the Downtown Lodi Business Partnership spoke in favor of the proposed Lodi Community Improvement Project based on the benefits to the community and the removal of eminent domain.
- Beth Kim, representing herself as a developer of the Comfort Suites and a member of LCVB, spoke in favor of the proposed Lodi Community Improvement Project based on possible benefits to the Cherokee Lane area.
- Steve Spiegel, as a property owner along Lockeford Street and the railroad, spoke in favor of the proposed Lodi Community Improvement Project based on possible improvements to the proposed Project Area.

Public Portion of Hearing Closed

In response to Mayor Mounce, Mr. King stated the City does not currently have an ability to build a Wal-Mart in the middle of the east side of the City as indicated by a speaker due to an ordinance that prohibits the use of eminent domain for private purpose. He stated an agency does have the power to acquire through just compensation to the owner land for a public purpose, which may include infrastructure improvements or rights of way. He also generally discussed the process associated with the same including the need for a resolution of necessity, purchase amount held in escrow, a court determining value of property and just compensation, and when a seller may wish to go through such a process.

In response to Mayor Mounce, Mr. King discussed ordinance adoption at a regularly scheduled meeting, the prohibition against using eminent domain for a private purpose, and approximately 30% of redevelopment agencies in the state not having eminent domain in the beginning and not adding at a later date. He also stated that, if eminent domain was ever considered at a later date, the process would need to be redone, including ordinance introduction and adoption, formation of Project Area committees, amendments to the plan and environmental documentation, timelines associated with the same, property identification, and the whole process would be subject to a referendum.

RECESS

At 8:41 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 8:52 p.m.

B. PUBLIC HEARINGS (Continued)

B-1 Mr. King stated redevelopment law is very specific as to how comments, in writing or (Cont'd.) orally, are responded to. He stated the comments were received and written responses will be made prior to the proposed June 18, 2008, date for the regularly scheduled meeting of the City Council where this topic will be considered.

In response to Mayor Mounce, Mr. King stated that, with respect to Mr. Atwood's comments generally, the City Council designated a Study Area approved by the Planning Commission, all parcels were reviewed, vacant parcels generally work against the 80% urbanization requirement, there may be an active agricultural use on the subject property, and redevelopment funds can be used for new infrastructure and construction, although it must be consistent with the General Plan as well.

In response to Mayor Pro Tempore Hansen, Mr. King stated future City Councils will have the ability to make decisions on individual projects as they come before them.

In response to Mayor Pro Tempore Hansen, Mr. King provided an overview of the City Council's consideration of an initial report in November 2007 of what a redevelopment project may look like, the Project Area is preliminary until such time as it is adopted, while the process is fairly narrow the legislative discretion of the Council is broad, an area cannot be added to but can be deleted from, and the Planning Commission determines what the area is and if it is consistent with the General Plan. He stated the Planning Commission went through the process and made the recommendation as is currently presented to the City Council.

In response to Council Member Johnson, Mr. King confirmed the only action recommended for tonight is the transmittal of the report from the Agency to the City Council.

Mayor Mounce stated she will not support the recommendation based on her concerns regarding long-term improvements to the east side of town, free enterprise, growth of government, indebtedness, and an option to vote on the ballot.

Mayor Pro Tempore Hansen stated he will support the recommendation based on the ability to use redevelopment as a tool to address long-term infrastructure projects and the need to bring in additional dollars to the community.

Council Member Johnson stated he will support the recommendation based on the ability to address improvements in the east side of town.

Mr. King stated staff will respond to comments pursuant to the law and agendize the matter for the June 18, 2008, regular City Council meeting.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Katzakian second, authorized the transmittal of the report from the Agency to the City Council pursuant to law. The motion carried by the following vote:

Ayes: Council Members – Johnson, Katzakian, and Hansen

Noes: Council Members – Mayor Mounce

Absent: Council Members – None

Abstain: Council Members – Hitchcock

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 9:23 p.m.

ATTEST:

Randi Johl
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Awarding Contract for Asphalt Materials for Fiscal Year 2008/09 to Granite Construction Company, of Stockton (\$225,198)

MEETING DATE: June 4, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution awarding contract for asphalt materials for fiscal year 2008/09 to Granite Construction Company, of Stockton, as follows:

Item A.	2,000 Tons 3/8" Max Medium Type A, PG 64-16, Granite Construction	Stockton	\$76.50
Item B.	1,000 Tons 1/2" Max Medium Type A, PG 64-16, Granite Construction	Stockton	\$72.19

BACKGROUND INFORMATION: This contract provides asphalt materials for various street maintenance projects carried on throughout the City during the fiscal year.

Specifications for this project were approved on April 2, 2008. Bid packets were mailed out to three vendors. On May 14, 2008, the City received only one bid, from Granite Construction Company, of Stockton, for the asphalt materials (bid tab attached). This year's contract prices increased by an average of 34 percent over last year's prices. This significant increase reflects the rising cost of petroleum products. The quantities of asphalt will be reduced according to funding available.

FISCAL IMPACT: This budget expense will assist the Streets and Drainage Division in its continuing effort to maintain the City of Lodi's asphalt paving.

FUNDING AVAILABLE:

Budgeted Fund:	2008/09 Street Maintenance Fund
Project Estimate:	\$225,198

Kirk Evans, Budget Manager

F. Wally Sandelin
Public Works Director

Prepared by George M. Bradley, Street and Drainage Manager
FWS/GMB/dsg
Attachments
cc: Curt Juran, Assistant Streets and Drainage Manager

APPROVED: _____
Blair King, City Manager

Bidder	F.O.B. Plant per ton	Tax	Plus Energy Surcharge / Any Additional Costs	Total per ton plus Tax and Any Additional Costs			
2,000 TONS (3/8") Max Medium Type A, PG 64-16					difference	2007/2008	% increase for FY 2008/2009
Granite Construction Company	\$71.00	\$5.50	\$0.00	\$76.50	\$20.47	\$56.03	37%
George Reed	no bid			\$0.00			
1,000 TONS (1/2") Max Medium Type A, PG 64-10							
Granite Construction Company	\$67.00	\$5.19	\$0.00	\$72.19	\$17.24	\$54.95	31%
George Reed	no bid						

	2000 tons 3/8"	\$153,005.00
	1000 tons 1/2"	\$72,192.50
Bid Opening 5/14/08 @ 11:00 AM PW Conf. Rm.	total of Items 1 & 2	\$225,197.50

George Reed 17300 E. Jahant Road Clements, CA 95227 phone 209-759-3331 fax 209-759-3406	Granite Construction Company 10500 S. Harlan Road French Camp, CA 95231 phone 209-982-4750 fax 209-983-0161
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**BID PROPOSAL—ASPHALT MATERIALS
CITY OF LODI, CALIFORNIA
2008/2009**

ITEM 1. 9.5mm (3/8") Max Medium Type A, PG 64-16 or 64-10

Estimated Annual Quantity	F.O.B. Plant 1,000 Tons
PRICE PER TON:	\$ <u>71.00</u>
TAX:	\$ <u>5.50</u>
ADDITIONAL COSTS (fuel surcharge, energy adjustments, etc., if any)	\$ _____
TOTAL COST PER TON	\$ <u>76.50</u>

***To bid Item 1, you must own or operate an asphalt supply plant.**

ITEM 2. 12.5m (1/2") Max Medium Type A, PG 64-10

Estimated Annual Quantity	F.O.B. Plant 2,000 Tons
PRICE PER TON:	\$ <u>67.00</u>
TAX:	\$ <u>5.19</u>
ADDITIONAL COSTS (fuel surcharge, energy adjustments, etc. if any)	\$ _____
TOTAL COST PER TON	\$ <u>72.19</u>

***To bid Item 2, you must own or operate an asphalt supply plant.**

Loads may be six (6), twelve (12) or twenty-five (25) tons.

Plant Location: 10500 S. Harlan Rd.
(Street address)
French Camp 95321
(City, Zip Code)
(209) 982-4750
(Telephone Number)
(209) 982-9346
(FAX number)

The following information is requested for those bidding:

Dump Fee for Asphalt Spoils, \$ NC per ton. If No Charge write NC.

DECLARATION OF BIDDER

The undersigned declares that the specifications in the attached Notice Inviting Bids and this Bid Proposal have been examined and submits the above schedule of prices as undersigned's bid. All representations made herein are true and are made under penalty of perjury.

BIDDER'S COMMENTS:

Granite Construction
Contractor

Date: May 12, 2008

Stephanie Pereira
Authorized Signature

Material Sales
Title

Corporation
TYPE OF ORGANIZATION
Individual, Partnership, or Corporation

PO Box 151
Address
Stockton, CA 95201

(209) 982-4750
Telephone

CITY OF LODI,
A Municipal Corporation

Blair King
City Manager

Attest:

Randi Johl
City Clerk

Approved as to Form:

D. Stephen Schwabauer
City Attorney

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AWARDING THE CONTRACT FOR ASPHALT
MATERIALS FOR FISCAL YEAR 2008/09

=====

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, a single sealed bid was received and publicly opened on May 14, 2008, at 11:00 a.m. for Asphalt Materials for Fiscal Year 2008/09 described in the specifications therefore approved by the City Council on April 2, 2008; and

WHEREAS, said bid has been checked and tabulated and a report thereof filed with the City Manager as follows:

<u>Description</u>	<u>Bidder/Location</u>	<u>Bid Amount</u>
Item A. 2,000 Tons 3/8" Max Medium Type A, PG 64-16	Granite Construction, Stockton,	\$153,005.00
Item B. 1,000 Tons 1/2" Max Medium Type A, PG 64-10	Granite Construction, Stockton	\$ 72,192.50

WHEREAS, staff recommends awarding Items A and B of the contract for Asphalt Materials for Fiscal Year 2008/09 to the sole bidder, Granite Construction Company, of Stockton, California, as shown above.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for Asphalt Materials for Fiscal Year 2008/09 to the sole bidder, Granite Construction Company, of Stockton, California, in the amount of \$225,197.50.

Dated: June 4, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 4, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Awarding Annual Contract for Curb, Gutter and Sidewalk Replacement to Popuch Concrete Contracting (\$79,055)

MEETING DATE: June 4, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution awarding the annual contract for curb, gutter and sidewalk replacement to Popuch Concrete Contracting, of Lodi, in the amount of \$79,055.

BACKGROUND INFORMATION: The curb, gutter and sidewalk replacement is an annual contract administered by the Streets and Drainage Division for miscellaneous concrete work, as needed during the course of the year and guided by the Sidewalk Replacement Program. The work could include new sidewalks as part of the City's installation program, replacement work resulting from maintenance projects, repair of defective concrete, and repairs of utility work. The contract includes a wide range of work items and unit prices for each. In addition, the prices would be made available to property owners who wish to have work in the public right-of-way done by the City's contractor. Specifications were approved by Council on March 19, 2008, and bid packets were sent to three local contractors. Two bids were received on April 17, 2008.

Bidder	Location	Bid
Engineer's Estimate		\$ 75,000.00
Popuch Concrete Contracting	Lodi	\$ 79,055.00
Jeff Case Construction	Lodi	\$ 79,575.95

The specifications are on file in the Public Works Department at the Municipal Service Center.

FISCAL IMPACT: This contract reduces the risk of liability and improves pedestrian mobility in the City.

FUNDING AVAILABLE: The money for this contract will be coming from the Street Operating Budget comprising Gas Tax, TDA funds for Streets, Bike and Ped routes in the proposed 2008/09 budget.

Budgeted Fund: Street Funds (1241014) \$80,000

Kirk Evans, Budget Manager

F. Wally Sandelin
Public Works Director

Prepared by Curt Juran, Assistant Streets and Drainage Manager
FWS/CJJ/dsg
cc: D. Stephen Schwabauer, City Attorney
George M. Bradley, Streets and Drainage Manager

APPROVED: _____
Blair King, City Manager

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and "Popuch Concrete Contracting", herein referred to as the "Contractor."

W I T N E S S E T H :

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids
Information to Bidders
General Provisions
Special Provisions
Bid Proposal
Contract

The July 1992 Edition,
Standard Specifications,
State of California,
Business and Transportation Agency,
Department of Transportation

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Contract Documents and the requirements of the Resident Engineer under them, to-wit:

Perform the work necessary to remove and replace curb, gutter and sidewalk in various locations throughout the City and other incidental and related work, all as shown on the plans and specifications for the above project. This is an annual unit price bid and the work will be divided into purchase orders which will usually range in price between \$500 and \$20,000, all as shown on the plans and specifications for "2008/2009 Curb, Gutter, and Sidewalk Replacement Annual Contract".

BID ITEMS

Item	Description	Qty	Unit	Price	Total
1	Saw Cut Concrete	200	LF	\$ 5.00	\$ 1,000.00
2	Remove Sidewalk or Asphalt Concrete	1000	SF	\$ 3.50	\$ 3,500.00
3	Remove Commercial Sidewalk	150	SF	\$ 5.00	\$ 750.00
4	Remove Square-Type Curb and Gutter	50	LF	\$ 9.00	\$ 450.00
5	Remove Vertical-Type Curb and Gutter	20	LF	\$ 9.00	\$ 180.00
6	Remove Driveway-Type Curb and Gutter	50	LF	\$ 12.00	\$ 600.00
7	Remove Commercial-Type Curb and Gutter	50	LF	\$ 12.00	\$ 600.00
8	Root Surgery Under Sidewalk or in Planter Area	1	EA	\$ 350.00	\$ 350.00
9	Root Surgery Under Curb and Gutter	1	EA	\$ 350.00	\$ 350.00
10	Install Sidewalk or Residential Driveway (0 - 75 SF)	1000	SF	\$ 10.00	\$ 10,000.00
11	Install Sidewalk or Residential Driveway (76 - 300 SF)	1000	SF	\$ 6.00	\$ 6,000.00
12	Install Sidewalk or Residential Driveway (>300 SF)	2,500	SF	\$ 5.00	\$ 12,500.00
13	Install Commercial Driveway	500	SF	\$ 9.00	\$ 4,500.00

Item	Description	Qty	Unit	Price	Total
14	Install Square-Type Curb and Gutter 7-inch or less (0 - 20 LF)	20	LF	\$ 45.00	\$ 900.00
15	Install Square-Type Curb and Gutter 7-inch or less (>20 LF)	75	LF	\$ 35.00	\$ 2,625.00
16	Install Square-Type Curb and Gutter Greater than 7-inch (0 - 20 LF)	50	LF	\$ 45.00	\$ 2,250.00
17	Square-Type Curb and Gutter Greater than 7-inch (>20 LF)	75	LF	\$ 35.00	\$ 2,625.00
18	Install Vertical-Type Curb and Gutter (0 - 20 LF)	75	LF	\$ 45.00	\$ 3,375.00
19	Install Vertical-Type Curb and Gutter (>20 LF)	100	LF	\$ 35.00	\$ 3,500.00
20	Install Driveway-Type Curb and Gutter (0 - 20 LF)	100	LF	\$ 45.00	\$ 4,500.00
21	Install Driveway-Type Curb and Gutter (>20 LF)	250	LF	\$ 35.00	\$ 8,750.00
22	Install Tree Well	1	EA	\$ 500.00	\$ 500.00
23	Install Furnished Side-Inlet Catch Basin Assembly	3	EA	\$ 400.00	\$ 1,200.00
24	Install Catch Basin Barrel	3	EA	\$1,800.00	\$ 5,400.00
25	Install Furnished Street Name Sign Base	1	LF	\$ 150.00	\$ 150.00
26	Miscellaneous Concrete Subgrade Compaction	500	LF	\$ 3.00	\$ 1,500.00
27	Move-In Cost for Jobs (<\$200)	2	EA	\$ 500.00	\$ 1,000.00
TOTAL BID					\$ 79,055.00

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract as directed by the City during the 2008/2009 fiscal year.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:

CITY OF LODI

By:

Blair King
City Manager

By: _____

Date: _____

Attest:

Title

Randi Johl
City Clerk

(CORPORATE SEAL)

Approved as to form:



D. Stephen Schwabauer

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING
THE CONTRACT FOR THE ANNUAL CURB, GUTTER AND
SIDEWALK REPLACEMENT

=====

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on April 17, 2008, at 11:00 a.m., for the Annual Curb, Gutter and Sidewalk Replacement described in the specifications therefore approved by the City Council on March 19, 2008; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

Bidder	Location	Base Bid
<u>Engineer's Estimate</u>	<u>\$</u>	<u>75,000.00</u>
Popuch Concrete Contracting	Lodi \$	79,055.00
Jeff Case Construction	Lodi \$	79,575.95

WHEREAS, staff recommends award of the contract to Popuch Concrete Contracting, of Lodi, California, in the amount of \$79,055.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby awards the contract for the Annual Curb, Gutter and Sidewalk Replacement to Popuch Concrete Contracting, of Lodi, California, in the amount of \$79,055.

Dated: June 4, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 4, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Awarding the Purchase of a Hydraulic Underground Cable Puller to the Lowest Responsive Bidder Allquip Universal, Inc. of West Sacramento, CA (\$87,945.14) (Replacement) (EUD)

MEETING DATE: June 4, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution awarding the purchase of a Hydraulic Cable Puller to the lowest responsive bidder Allquip Universal Inc of West Sacramento, CA in the amount of \$87,945.14.

BACKGROUND INFORMATION: On May 7, 2008, the City Council approved specifications and authorized advertisement for bids for the Hydraulic Underground Cable Puller.

The following bids were received and opened on May 22, 2008.

BIDDER	AMOUNT
Allquip Universal Inc, West Sacramento CA	\$87,945.14
Global Machinery West LLC, Sacramento CA	\$92,557.25
Sherman & Reilly Inc, Chattanooga TN	\$92,651.30
Holt of California, Stockton CA	\$100,173.02

The hydraulic underground cable puller is a highly specialized piece of equipment used by the Electric Utility Department's (EUD's) construction crews when installing medium voltage cable in underground duct/vault systems. The pulling equipment comes trailer-mounted with a gas/diesel engine operated hydraulic power unit that provides a highly controllable pulling speed and tension through a special steel "pulling cable".

The new hydraulic underground cable puller will come with an air compressor mounted on the trailer so that the steel pulling cable can be blown into the duct system. This eliminates the need for a compressor at the job site -- a savings in time and labor. Over the years, cable manufacturers have developed parameters within which the cable installation must be performed in order to avoid damaging the cable during this process. To obtain the maximum cable life, these standards need to be followed. No other piece of equipment in the utility fleet can be used as a substitute for this application to meet the manufacturer's cable installation requirements.

FISCAL IMPACT: Long term savings will be realized by having underground cable installed properly`

APPROVED: _____
Blair King, City Manager

FUNDING: Cost of the purchase is \$87,945.14 and is included in the EUD 2007/08 budget in Account No. 1611201.

Kirk Evans, Budget Manager

George F. Morrow
Electric Utility Director

Prepared By: Barry Fisher, Construction/Maintenance Supervisor

GFM/BF/AMS/lst

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING THE
PURCHASE OF A HYDRAULIC UNDERGROUND CABLE PULLER TO
ALLQUIP UNIVERSAL, INC. OF WEST SACRAMENTO, CA

=====

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, four sealed bid were received and publicly opened on May 22, 2008 11:00 a.m. for the purchase of a hydraulic underground cable puller for the Electric Utility Department, described in the specifications approved by the City Council on May 7, 2008; and

WHEREAS, said bid has been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

Allquip Universal Inc, West Sacramento CA	\$ 87,945.14
Global Machinery West LLC, Sacramento, CA	\$ 92,557.25
Sherman & Reilly Inc, Chattanooga, TN	\$ 92,651.30
Holt of California, Stockton, CA	\$100,173.02

WHEREAS, staff recommends that the City Council award the bid to Allquip Universal, Inc. of West Sacramento, California in the amount of \$87,945.14.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby award the bid for the purchase of a hydraulic underground cable puller for the Electric Utility Department to Allquip Universal, Inc. of West Sacramento, California in the amount of \$87,945.14; and

BE IT FURTHER RESOLVED, that funds be appropriated from the unencumbered bond proceeds (Electric Utility Department 1999 Certificate of Participation Series A) for this purchase.

Dated: June 4, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 4, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Ratifying the San Joaquin Council of Governments' Annual Financial Plan for Fiscal Year 2008/09

MEETING DATE: June 4, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution ratifying the 2008/09 Annual Financial Plan (AFP) for the San Joaquin Council of Governments (COG).

BACKGROUND INFORMATION: Attached is a summary of COG's AFP for fiscal year 2008/09. The COG Board adopted the AFP on April 24, 2008. Pursuant to COG's Joint Powers Agreement, the budget is to be ratified by the City of Lodi and the other agencies in the County following adoption by the COG Board.

Staff would like to acknowledge both the importance of the work COG performs and the significant and excellent assistance their staff provides in delivering transportation projects in the City and the entire County.

FISCAL IMPACT: This is the operating plan for COG. COG oversees Measure K funding for several projects in Lodi, including street maintenance and Transit, as well as the administration of several federal funding sources.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

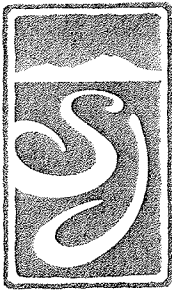
Prepared by Tiffani M. Fink, Transportation Manager

FWS/TF/pmf

Attachment

cc: D. Stephen Schwabauer, City Attorney
Steve Dial, COG Deputy Executive Director/Chief Financial Officer

APPROVED: _____
Blair King, City Manager



SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202

209.468.3913 • 209.468.1084 (fax)

www.sjco.org

MAY 02 2008
CITY MANAGER'S OFFICE

April 29, 2008

Victor Mow
CHAIR

Ed Chavez
VICE CHAIR

Andrew T. Chesley
EXECUTIVE DIRECTOR

Member Agencies

CITIES OF
ESCALON,
FATHROP,
LODI,
MANTECA,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF
SAN JOAQUIN

Mr. Blair King
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

Dear Mr. King:

Enclosed is a summary of the San Joaquin Council of Governments' Annual Financial Plan (AFP) for Fiscal Year 2008-2009. The Board unanimously adopted the Plan on April 24, 2007. A copy of the adopting resolution is enclosed. Pursuant to SJCOG's Joint Powers Agreement, following adoption of the budget by the SJCOG Board, it is to be delivered to member agencies for ratification by each governing body.

Therefore, SJCOG requests you place SJCOG's Annual Financial Plan for Fiscal Year 2008-2009 on a forthcoming agenda prior to June 30, 2008 for your Council's approval.

The Annual Financial Plan implements the FY 2008-2009 Overall Work Program (OWP) that was also adopted by the SJCOG Board on April 24, 2008.

The attached Annual Financial Plan summary provides a detail of expenditures by cost category and line item comparing the proposed budgets with the current year (FY 2007/08) adopted budget (as amended) and the actual expenditures for FY 2006/07. The following assumptions are incorporated in the budget:

1. Work will not begin and expenses will not be incurred unless anticipated revenue sources are secured.
2. SJCOG anticipates being fully staffed for the entire fiscal year, therefore the Salaries and Benefits cost category is fully funded. No additional staff is being requested.
3. Duplicating the process from previous years, 12% of total current salaries is included in Salaries and Benefits for the pay for performance pool (approximately \$282,614). (By way of background, SJCOG does not award cost of living adjustments or have the traditional 5% step increases for its staff. All raises are considered on the basis of merit in the achievement of goals set annually.)

REVENUES

SJCOG operating revenues are down 6.3% or \$534,567 lower. Overall, federal funding for operating is virtually the same as 2007/08 and includes obligating additional FHWA PI funds beyond the current year's obligation in order to meet the aggressive work activities of the Overall Work Program. State funding sources are down 31.1% due to the completion of several planning projects. Local revenues are 4.7% higher reflecting the flattening out of the sales tax generated resources, the Local Transportation Fund and Measure K.

EXPENDITURES

Salaries and Benefits are proposed to increase 9.9%. Salaries increase 9.86% and benefits increase 10.18%. No new positions are being requested. The proposed budget includes the adjustments in certain staff as a result of the Compensation and Classification adopted by the Board in December 2007. (SJCOG's salary ranges had not been adjusted for eight years resulting in entry-level salaries being considerably lower than comparable, market level positions. The adopted new ranges increased the minimum salaries of most positions, without increasing the maximum salary. When the minimum salaries were adjusted higher, a number of staff salaries need to be raised to the new minimum.)

Services and Supplies is proposed to be 1.4% higher than the current year. In raw dollars, the most significant change is in Office Expense with the largest share of that change going toward software and licenses.

Professional Services is decreasing 23.2% reflecting the completion of significant amounts of consulting work in the OWP.

Fixed Assets remains the same as approved in 07/08 at \$80,500.

SJCOG staff would be pleased to appear before your policymakers to answer any questions they might have regarding this matter. **We request ratification prior to June 30, 2008.** Please let me know when this will be on your agenda. If you have any questions regarding this matter, don't hesitate to contact me at 468-3913.

Thank you for your assistance.

Sincerely,



STEVE DIAL
Deputy Executive Director/Chief Financial Officer



RESOLUTION
SAN JOAQUIN COUNCIL OF GOVERNMENTS

R-08-031

RESOLUTION APPROVING THE ADOPTION OF THE 2008-2009
ANNUAL FINANCIAL PLAN
FOR THE SAN JOAQUIN COUNCIL OF GOVERNMENTS

WHEREAS, the San Joaquin Council of Governments is required by the Joint Powers Agreement to adopt a budget (Annual Financial Plan) annually, and

WHEREAS, the adopted budget is to be sent to the member agencies for ratification.

NOW THEREFORE BE IT RESOLVED, that the San Joaquin Council of Governments adopts the FY 2008-2009 Annual Financial Plan and directs the Executive Director to transmit it to the member agencies for ratification.

PASSED AND ADOPTED this 24th day of April 2008, by the following vote of the San Joaquin Council of Governments, to wit:

AYES: Councilman Bestolarides, Stockton; Mayor Chavez, Stockton; Councilman Chapman, Stockton; Councilman DeBrum, Manteca; Mayor Ives, Tracy; Supervisor Mow, San Joaquin County; Mayor Sayles, Lathrop; Supervisor Vogel, San Joaquin County; Vice Mayor Winn, Ripon.

NOES: None.

ABSENT: Councilman Hansen, Lodi; Mayor Haskin, Escalon; Supervisor Ornellas, San Joaquin County.

A handwritten signature in cursive script, reading 'Victor Mow', is written over a horizontal line.

VICTOR MOW
Chairman

**San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Fiscal Year 2008/09**

Adopted April 24, 2008

CHAIR

Supervisor Victor Mow, County of San Joaquin

VICE-CHAIR

Mayor Ed Chavez, City of Stockton

BOARD OF DIRECTORS

Mayor Gary Haskin	City of Escalon
Mayor Kristy Sayles	City of Lathrop
Mayor Pro Tempore Larry Hansen	City of Lodi
Councilmember Steve DeBrum	City of Manteca
Vice Mayor Chuck Winn	City of Ripon
Supervisor Ken Vogel	County of San Joaquin
Supervisor Leroy Ornellas	County of San Joaquin
Councilmember Steve Bestolarides	City of Stockton
Councilmember Dan Chapman	City of Stockton
Mayor Brent Ives	City of Tracy

EX OFFICIO DIRECTORS

Ken Baxter, Deputy Director-Planning	Caltrans District 10
Duane Isetti, Director	San Joaquin Regional Transit District
Steve Herum, Commissioner	Port of Stockton

SUBMITTED BY:

Andrew T. Chesley
Executive Director

Steve Dial
Deputy Executive Director/
Chief Financial Officer

San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Fiscal Year 2008/09
 Adopted April 24, 2007

REVENUES	FY 2006-07 ACTUAL	FY 2007-08 Amend. #2 1/24/2008	FY 2008-09 Adopted 4/24/08	% Change
Federal Grants		\$2,765,889	\$2,775,785	0.4%
State Grants		\$2,268,513	\$1,563,469	-31.1%
Local		\$3,384,419	\$3,545,000	4.7%
Interest		\$10,000	\$10,000	0.0%
Other		\$30,000	\$30,000	0.0%
SJCOG OPERATING REVENUES	\$5,242,275	\$8,458,821	\$7,924,254	-6.3%
Federal Pass-Through	\$64,209,000	\$125,381,000	\$125,381,000	0.0%
State Pass-Through	\$2,889,767	\$8,755,012	\$8,277,984	-5.4%
Local Pass-Through	\$78,563,150	\$80,653,900	\$68,546,000	-15.0%
Commercial Paper	\$167,000,000	\$167,000,000	\$167,000,000	0.0%
TOTAL SJCOG REVENUE	\$317,904,192	\$390,248,733	\$377,129,238	-3.4%
EXPENDITURES				
Salaries & Benefits	\$2,442,356	\$3,319,963	\$3,647,633	9.9%
Services & Supplies	\$1,014,007	\$1,256,500	\$1,274,500	1.4%
Office Expense	\$249,495	\$345,000	\$362,000	4.9%
Communications	\$45,624	\$60,000	\$60,000	0.0%
Memberships	\$30,553	\$42,000	\$42,000	0.0%
Maintenance - Equipment	\$4,606	\$13,000	\$13,000	0.0%
Rents & Leases - Equipment	\$157,653	\$210,000	\$210,000	0.0%
Transportation, Travel & Training (In & Out of State)	\$125,015	\$110,000	\$110,000	0.0%
Allocated Service Cost	\$9,339	\$3,000	\$4,000	33.3%
Publications & Legal Notices	\$26,657	\$27,000	\$27,000	0.0%
Insurance	\$70,250	\$85,000	\$85,000	0.0%
Building Maintenance	\$107,255	\$120,000	\$120,000	0.0%
Rents - Structures & Grounds	\$187,560	\$241,500	\$241,500	0.0%
Professional Services	\$1,186,112	\$3,801,858	\$2,921,621	-23.2%
Fixed Assets	\$40,366	\$80,500	\$80,500	0.0%
Unallocated/Reserve	\$0	\$0	\$0	
SJCOG OPERATING EXPENDITURES	\$4,682,841	\$8,458,821	\$7,924,254	-6.3%
Pass-Through	\$312,661,917	\$381,789,912	\$369,204,984	-3.3%
TOTAL SJCOG EXPENDITURES	\$317,904,192	\$390,248,733	\$377,129,238	-3.4%

Excess (Deficit) Revenues	\$559,434	\$0	-\$0
Over Expenditures (Operating)			

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL
RATIFYING THE SAN JOAQUIN COUNCIL OF
GOVERNMENTS' (SJCOG) 2008/09 ANNUAL
FINANCIAL PLAN

=====

WHEREAS, the San Joaquin Council of Governments (SJCOG) has approved its fiscal year 2008/09 budget by adopting Resolution No. R-08-031 as shown on the attached, marked Exhibit A; and

WHEREAS, SJCOG is required to forward such Resolution to its member governments for their review and ratification.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby ratifies the 2008/09 Annual Financial Plan for SJCOG.

Dated: June 4, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 4, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



**RESOLUTION
SAN JOAQUIN COUNCIL OF GOVERNMENTS**

R-08-031

RESOLUTION APPROVING THE ADOPTION OF THE 2008-2009
ANNUAL FINANCIAL PLAN
FOR THE SAN JOAQUIN COUNCIL OF GOVERNMENTS

WHEREAS, the San Joaquin Council of Governments is required by the Joint Powers Agreement to adopt a budget (Annual Financial Plan) annually, and

WHEREAS, the adopted budget is to be sent to the member agencies for ratification.

NOW THEREFORE BE IT RESOLVED, that the San Joaquin Council of Governments adopts the FY 2008-2009 Annual Financial Plan and directs the Executive Director to transmit it to the member agencies for ratification.

PASSED AND ADOPTED this 24th day of April 2008, by the following vote of the San Joaquin Council of Governments, to wit:

AYES: Councilman Bestolarides, Stockton; Mayor Chavez, Stockton; Councilman Chapman, Stockton; Councilman DeBrum, Manteca; Mayor Ives, Tracy; Supervisor Mow, San Joaquin County; Mayor Sayles, Lathrop; Supervisor Vogel, San Joaquin County; Vice Mayor Winn, Ripon.

NOES: None.

ABSENT: Councilman Hansen, Lodi; Mayor Haskin, Escalon; Supervisor Ornellas, San Joaquin County.

A handwritten signature in cursive script, reading 'Victor Mow', is written over a horizontal line.

VICTOR MOW
Chairman

**San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Fiscal Year 2008/09**

Adopted April 24, 2008

CHAIR

Supervisor Victor Mow, County of San Joaquin

VICE-CHAIR

Mayor Ed Chavez, City of Stockton

BOARD OF DIRECTORS

Mayor Gary Haskin	City of Escalon
Mayor Kristy Sayles	City of Lathrop
Mayor Pro Tempore Larry Hansen	City of Lodi
Councilmember Steve DeBrum	City of Manteca
Vice Mayor Chuck Winn	City of Ripon
Supervisor Ken Vogel	County of San Joaquin
Supervisor Leroy Ornellas	County of San Joaquin
Councilmember Steve Bestolarides	City of Stockton
Councilmember Dan Chapman	City of Stockton
Mayor Brent Ives	City of Tracy

EX OFFICIO DIRECTORS

Ken Baxter, Deputy Director-Planning	Caltrans District 10
Duane Isetti, Director	San Joaquin Regional Transit District
Steve Herum, Commissioner	Port of Stockton

SUBMITTED BY:

Andrew T. Chesley
Executive Director

Steve Dial
Deputy Executive Director/
Chief Financial Officer

San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Fiscal Year 2008/09
 Adopted April 24, 2007

REVENUES	FY 2006-07 ACTUAL	FY 2007-08 Amend. #2 1/24/2008	FY 2008-09 Adopted 4/24/08	% Change
Federal Grants		\$2,765,889	\$2,775,785	0.4%
State Grants		\$2,268,513	\$1,563,469	-31.1%
Local		\$3,384,419	\$3,545,000	4.7%
Interest		\$10,000	\$10,000	0.0%
Other		\$30,000	\$30,000	0.0%
SJCOG OPERATING REVENUES	\$5,242,275	\$8,458,821	\$7,924,254	-6.3%
Federal Pass-Through	\$64,209,000	\$125,381,000	\$125,381,000	0.0%
State Pass-Through	\$2,889,767	\$8,755,012	\$8,277,984	-5.4%
Local Pass-Through	\$78,563,150	\$80,653,900	\$68,546,000	-15.0%
Commercial Paper	\$167,000,000	\$167,000,000	\$167,000,000	0.0%
TOTAL SJCOG REVENUE	\$317,904,192	\$390,248,733	\$377,129,238	-3.4%
EXPENDITURES				
Salaries & Benefits	\$2,442,356	\$3,319,963	\$3,647,633	9.9%
Services & Supplies	\$1,014,007	\$1,256,500	\$1,274,500	1.4%
Office Expense	\$249,495	\$345,000	\$362,000	4.9%
Communications	\$45,624	\$60,000	\$60,000	0.0%
Memberships	\$30,553	\$42,000	\$42,000	0.0%
Maintenance - Equipment	\$4,606	\$13,000	\$13,000	0.0%
Rents & Leases - Equipment	\$157,653	\$210,000	\$210,000	0.0%
Transportation, Travel & Training (In & Out of State)	\$125,015	\$110,000	\$110,000	0.0%
Allocated Service Cost	\$9,339	\$3,000	\$4,000	33.3%
Publications & Legal Notices	\$26,657	\$27,000	\$27,000	0.0%
Insurance	\$70,250	\$85,000	\$85,000	0.0%
Building Maintenance	\$107,255	\$120,000	\$120,000	0.0%
Rents - Structures & Grounds	\$187,560	\$241,500	\$241,500	0.0%
Professional Services	\$1,186,112	\$3,801,858	\$2,921,621	-23.2%
Fixed Assets	\$40,366	\$80,500	\$80,500	0.0%
Unallocated/Reserve	\$0	\$0	\$0	
SJCOG OPERATING EXPENDITURES	\$4,682,841	\$8,458,821	\$7,924,254	-6.3%
Pass-Through	\$312,661,917	\$381,789,912	\$369,204,984	-3.3%
TOTAL SJCOG EXPENDITURES	\$317,904,192	\$390,248,733	\$377,129,238	-3.4%

Excess (Deficit) Revenues	\$559,434	\$0	-\$0
Over Expenditures (Operating)			

Comments by the public on non-agenda items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Comments by the City Council Members on non-agenda items



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Staff Report on 2008 Lodi Solar Rebate Pilot Project: Implementation of Project, Customer Participation and Solar System Installation Permit Fees (EUD)

MEETING DATE: June 4, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: None required.

BACKGROUND INFORMATION:

Project Implementation Senate Bill (SB) 1, otherwise known as the 'California Solar Initiative' or CSI, was enacted into state law in August 2006. The CSI requires ALL electric service providers in the state to maintain a rebate program for the installation of eligible* photovoltaic/solar systems on residential, commercial and industrial customer sites. The official start date of the CSI was January 1, 2008, and the CSI requires utilities to provide a rebate of no less than \$2.80/watt in 2008 (the rebate level then drops by 7% each year thereafter).

Lodi's program budget per year, as established by the legislation, is \$600,000. This figure is based upon total energy sales during the fiscal year 2005-2006, utilizing the formula as provided in the CSI (Lodi's municipal utility percentage share of the CSI is 0.79%; the total rebate dollars for Lodi over 10 years is approximately \$6 million, while the total municipal utility share of the CSI for the 10 years is \$784 million).

In order to distribute the available rebate dollars in a fair and equitable manner, the following was adopted and implemented for 2008:

- distribute the rebate budget dollars by 2006 calendar year utility megawatt hour sales by customer class; thus for 2008, 25% of the \$600,000 budget is allocated for residential rebates (equaling \$150,000) and 75% for all non-residential rebates (equaling \$450,000);
- rebates are reserved on a first-come, first-served basis; a customer who has reserved funds has up to 180 days to install the solar system; rebates are issued after installation and inspection; should any particular customer class NOT utilize funding by November 1, 2008, then customers from another rate class will have access to those rebate funds.

Customer Participation Response to the 2008 Lodi Solar Rebate Pilot Project has exceeded expectations, and compared to other Northern California Power Agency (NCPA) member utilities, the participation rate has been exceptionally high. As of May 18, 2008 here in Lodi:

- ten (10) residential solar rebate applications received;
- five (5) residential solar rebates approved and issued;

APPROVED: _____
Blair King, City Manager

Staff Report on 2008 Lodi Solar Rebate Pilot Project: Implementation of Project, Customer Participation and Solar System Installation Permit Fees (EUD)

June 4, 2008

Page 2 of 3

- total residential solar rebate funds **reserved**: \$127,947.40 (funds still available: \$22,052.60);
- total residential solar rebate funds **approved and issued**: \$83,568.40
- six (6) non-residential solar rebate applications received;
- zero (0) non-residential solar rebates approved and issued;
- total non-residential solar rebate funds **reserved**: \$330,039 (funds still available: \$119,961)
- NO non-residential solar rebate funds approved/issued

Solar System Installation Permit Fees The City of Lodi Community Development Department charges a permit fee of \$460 for an installed residential solar system and a permit fee of \$660 for a non-residential solar system. Note: for informational purposes, Attachment 'A' is provided as a comparison of various permit fees around northern California.

For **residential** solar project permits (\$460), the fee is determined as follows:

- Plan check 1 hour minimum (\$80)
- Pre-inspection: To verify adequacy of roof structure and electrical service (according to the approved plans and project Engineer's specifications / calculations (\$75)
- Rough inspection: inspect wiring and framing (\$75)
- Final Inspection by the Building Department(\$75)
- Final Approval Administration, Re-Inspection. (\$95)
- Electrical permit (\$30)
- Sub-Panel (inverter) ea. (\$15)
- Service panel (\$15)

For **non-residential** solar project permits (\$660), the fee is determined as follows:

- Plan check 2 hour minimum (\$160)
- Pre-inspection: To verify adequacy of roof structure and electrical service (according to the approved plans and project Engineer's specifications/calculations) (\$75)
- Rough inspection (2): inspect wiring and framing (\$150)
- Final Inspection by the Building Department (\$75)
- Final Approval Administration, Re-Inspection (\$140)
- Electrical permit (\$30)
- Sub-Panel (inverter) ea. (\$15)
- Service panel (\$15)

Per state requirement, the Electric Utility Department has prepared the first quarter (January 1 – March 31, 2008) results of the Lodi Solar Rebate Pilot Project (all electric utilities in California must provide first quarter results to the California Energy Commission on June 1, 2008). Included in this brief report is the customer participation figures, actual rebate funds provided, total photovoltaic (in kilowatts) units installed, and other information regarding customer outreach and marketing.

In closing, the Electric Utility Department will provide the City Council with another solar program update in either December 2008 or January 2009.

FISCAL IMPACT: Not Applicable.

FUNDING: Not Applicable.

Staff Report on 2008 Lodi Solar Rebate Pilot Project: Implementation of Project, Customer Participation and Solar System Installation Permit Fees (EUD)

June 4, 2008

Page 2 of 3

George F. Morrow
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service and Programs

GFM/rs/lst

Attachments

cc: Rob Lechner, EUD
Dennis Canright, Comm. Dev. Dept.
Peter Pirnejad, Comm. Dev. Dept.

Attachment 'A'

This first section reflects a random sampling of NCPA-member utilities, and whether the CITIES in which these utilities are located charge a solar system installation permit fee:

City	Fee	Comments
Turlock	Yes	\$800 average fee
Silicon Valley Power	Yes	1% of dollar value of project (average system cost is \$30,000; 1% of that figure = \$300 permit fee)
Roseville	Yes	1% of dollar value of installed project (average permit fee has equaled approximately \$300 for residential)
Plumas-Sierra	Yes	\$350 permit fee (flat rate)
Redding	Yes	\$40 flat rate plus \$50/kW of installed solar (average permit has equaled approximately \$300 for residential)
Alameda	Yes	\$104 permit fee (flat rate)
Palo Alto	Yes	\$320 permit fee, on average, for residential; \$2,000 average permit fee for non-residential
Healdsburg	Yes	\$130 permit fee (flat rate)
Lompoc	Yes	\$700 average permit fee for residential; \$3,500 average permit fee for non-residential permit fee
Gridley	Yes	\$200 to \$300 flat rate
Sacramento	No	(note: SMUD service territory; not a member of NCPA)
Lodi	Yes	\$460 residential permit fee; \$660 non-residential permit fee

This section reflects a random sampling of NCPA-member utilities and how much of their solar rebate funds have been expended (or reserved) thus far in calendar year 2008:

Utility	Status of Rebate Funds
Palo Alto	35% of <u>ten-year program</u> is reserved (approximately \$4,550,000)
Plumas-Sierra	10% of rebate funds paid out for 2008
Roseville	50% of solar rebate funds reserved through June 30, 2008
Lompoc	28% of total rebate funds paid out for 2008
Biggs	no rebate funds reserved as of May 18, 2008
Alameda	\$8,400 out of \$420,000 total solar rebate funds reserved
Lodi	85% of residential rebate funds reserved for 2008; 73% of non-residential rebate funds reserved for 2008



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Allocate Public Benefit Program Funds for Seven Energy Efficiency Rebate or Related Programs for the 2008-2009 Fiscal Year (\$440,000) (EUD)

MEETING DATE: June 4, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to allocate public benefit program funds for seven energy efficiency rebate or related programs for the 2008-09 fiscal year not to exceed \$440,000.

BACKGROUND INFORMATION: The seven energy efficiency rebate programs are: Lodi Appliance Rebate Program, Lodi Energy Efficient Home Improvement Rebate Program, Lodi G-1 Commercial Rebate Program, Lodi G-2 Commercial Rebate Program, Lodi G-3 to I-1 Commercial/Industrial Rebate Program, Lodi Municipal Energy Efficiency Program, and the Lodi Evaluation, Measurement & Verification Project.

Lodi Appliance Rebate Program- \$20,000

Since 1999, the Lodi Electric Utility Department (EUD) has maintained the *Lodi Appliance Rebate Program*, providing rebates for various energy efficient home appliances. Since the programs inception, thousands of Lodi residents and business owners have participated in this program.

For the fiscal year 2008-2009, the EUD is recommending that \$20,000 in Public Benefit Program funds be allocated to extend this successful program. Under the program, eligible* customers would receive the following rebates:

- > EnergyStar® refrigerator \$50 rebate;
- > EnergyStar® dishwasher \$25 rebate;
- > EnergyStar® clothes washer \$50 rebate.

To qualify for a rebate, customers must purchase the aforementioned home appliance(s) from one of these Lodi retailers: Anderson Maytag, Ben's Appliance, Les' Appliance, Lowe's of Lodi, and Reo's Appliance.

EnergyStar® appliances consume, on average, twenty percent to thirty-five percent *less* electricity annually than a standard home appliance (refrigerator, dishwasher and clothes washer), which makes the purchase and installation of a high efficiency home appliance an extremely attractive, and cost effective, energy conservation measure.

APPROVED: _____
Blair King, City Manager

Lodi Energy Efficient Home Improvement Rebate Program- \$70,000

In 2003, the City of Lodi EUD introduced the *Lodi Energy Efficient Home Improvement Rebate Program (LEEHIRP)*. This program provides various rebates to residential customers who purchase and install designated and approved energy conservation measures. For the 2008-2009 fiscal year, the EUD is proposing the following conservation measures, and rebate amounts:

Category A: \$55,000 of the total \$70,000 program budget will be allocated for the following energy efficiency elements; of this \$55,000 allocation, a total of \$10,000 is allocated for the HVAC system performance test noted below (the remaining \$45,000 is allocated for those items in italics):

> <i>air duct replacement</i>	\$750	
> <i>air duct repair</i>	\$200	
> <i>high efficiency central air cond.</i>	\$175	(must install 15+ SEER HVAC unit or 13+ SEER rooftop unit with variable speed drive)
> <i>ultra-high efficiency central air cond.</i>	\$225	(must install 17+ SEER HVAC unit)
> <i>heat pump</i>	\$150	(must install 8.5+ HSPF for split system or 8.2+ HSPF for package unit)
> HVAC system performance test*	\$100/	HVAC repair or replacement

*A customer may be eligible for this \$100 rebate if the customer proceeds with recommended air duct repair/improvement/replacement.

Category B: \$15,000 of the total \$70,000 program budget will be allocated for the following energy efficiency elements:

> radiant barrier/thermal shield	\$150	
> whole house fan	\$100	
> attic fan	\$ 40	
> shade screens/window tinting	\$ 0.50/sq. ft.	
> attic/wall insulation	\$ 0.15/sq. ft.	(must increase attic insulation to an R-38 and wall insulation to an R-13 energy efficiency value)

Note- The maximum allowable rebate under this program is \$300 per customer service address, with an additional \$200 allowance for air duct repairs or an additional \$750 allowance for air duct replacement, if eligible. Customers must also consent to potential pre- and post-inspections of their property. In addition, in order to qualify for any of the high efficiency central air conditioner rebates mentioned above, the customer must address any recommended air duct repair or replacement issues. Note: in the event funds from either Category A or B are not utilized by May 15, 2009, then those funds can be utilized as a rebate in the other category.

By installing some, or all, of the aforementioned energy conservation measures, residential customers may decrease monthly energy consumption from five percent, to as much as thirty percent (the actual energy savings will vary depending upon the number of conservation measures installed, the quality of installation and personal energy use patterns).

Lodi G-1 Commercial Rebate Program- \$20,000

This program, first introduced in 1999, provides rebates to commercial customers under the electric rate classification of G-1. Specifically, the program offers a dollar-for-dollar rebate of up to \$200 for the purchase and installation of any/all of the following energy conservation improvements:

- ceiling fans; attic fans/ventilators; weather-stripping; attic insulation; air duct replacements/repairs; window tinting/shade screens/awning covers; HVAC/refrigeration (such as an annual diagnostic and preventative maintenance service for each HVAC unit and/or refrigeration system).

In addition, eligible customers may receive a rebate of 15 percent or \$750 (which ever amount is less), for installing a high efficiency mechanical system (13+ SEER air conditioner), or a lighting improvement/retrofit.

Participating customers must be on the published G-1 electric rate schedule, current on all City of Lodi utility charges and consent to a potential pre- and post-inspection. Since the programs inception, over 650 small businesses have reduced energy consumption by installing some or all of the aforementioned energy efficiency measures, and received a rebate from the City of Lodi. The average annual energy savings that can be achieved is 5 percent to 25 percent, depending upon the energy efficiency measure(s) installed.

Lodi G-2 Commercial Rebate Program- \$50,000

The rebates in this program are designed specifically for commercial customers assigned to the G-2 electric utility rate. Eligible customers may receive a rebate of up to \$6,000 for purchasing and installing any/all of the following energy conservation measures: building automation/energy management control systems, lighting retrofits, chiller & mechanical equipment change outs, annual HVAC/refrigeration service or maintenance, and special projects.

An approved rebate under this program calls for a minimum 15 percent energy savings, and the total rebate available is \$6,000 in a 12-month period for qualifying projects (one per customer of record). The rebate is calculated on total kilowatt-hour (kWh) savings; for the fiscal year 2008-2009, the rebate per kWh savings will be \$0.15/kWh (thus, if a customer develops, and presents to the utility, a project that will save 30,000 kWh in a year, the total rebate will be \$4,500; 30,000 kWh 'x' \$0.15/kWh = \$4,500).

Lodi G-3 to I-1 Commercial/Industrial Rebate Program- \$160,000

For the 2008-2009 fiscal year, the EUD is proposing to continue this program, with a total budget of \$160,000 for rebates. Eligible customers, assigned to the G-3, G-4, G-5, or I-1 electric utility rate, will have the opportunity to receive a maximum rebate of \$20,000 for qualifying projects, including: lighting retrofits, process/manufacturing equipment & heavy refrigeration improvements, chillers & mechanical equipment change-outs, building automation/energy management control systems improvements, and building envelope retrofits.

An approved rebate will be based upon the following criteria:

- a minimum of 15 percent electric energy savings per energy efficiency measure installed;
- a minimum of 10 percent operations and maintenance savings per energy efficiency measure installed;

- inclusion of all required engineering, design, labor, and materials documentation (a customer seeking a utility rebate must provide a detailed description of the energy efficiency project; calculated energy savings audit associated with the project; calculated operations and maintenance savings associated with the project; total “turn-key” cost of the project; design/engineering specifications, design drawings, equipment manufacturer cut sheets; baseline energy consumption data of the existing equipment being removed).

The total rebate available per customer of record per City of Lodi fiscal year for qualifying projects is \$20,000. The rebate is calculated on total kilowatt-hour (kWh) savings; for the fiscal year 2008-2009 program, the rebate per kWh of savings will be \$0.15 (thus, if a customer develops, and presents to the utility a project that will save 50,000 kWh in a year, the total rebate will be \$7,500; 50,000 kWh ‘x’ \$0.15= \$7,500).

NOTE: For all aforementioned rebate programs, funds are made available on a first-come, first-served basis, and are available until said funds, by program, are exhausted.

NOTE: In the event any individual rebate program has unclaimed funds on May 15, 2009, EUD staff is authorized to shift those unclaimed funds to another rebate program at staff discretion.

Lodi Municipal Energy Efficiency/Miscellaneous Projects- \$60,000

For the 2008-2009 fiscal year, the EUD is budgeting \$60,000 for various energy efficiency projects that may be performed at city-owned facilities. These may include: lighting retrofits, high efficiency HVAC replacements/upgrades, building envelope improvements, and other approved energy conservation measures.

Lodi Evaluation, Measurement & Verification Project- \$60,000

Under state law, all electric service providers in California are now required to expend Public Benefit Program funds on the evaluation, measurement and verification of selected energy efficiency/conservation projects *funded* by Public Benefit program dollars. For the 2008-2009 fiscal year, the EUD is proposing to expend up to \$60,000 to review and assess the actual energy savings achieved through numerous energy efficiency projects implemented during the 2007-2008 fiscal year. The findings of these various assessments are then included in an annual filing with the California Energy Commission.

The EUD respectfully recommends approval of these five (5) programs as qualifying components of the City of Lodi Public Benefits Program, under the category of demand-side management or energy conservation.

(* Eligible customer: must be a City of Lodi Electric Utility customer.)

FISCAL IMPACT: \$440,000; these are funds that are to be collected and expended under state law in various Public Benefit program categories.

FUNDING AVAILABLE: 164605 – Public Benefits Program (Category: Demand-side Management)

Adopt Resolution Authorizing the City Manager to Allocate Public Benefit Program Funds for Seven Energy Efficiency Rebate or Related Programs for the 2008-2009 Fiscal Year (\$440,000) (EUD)

June 4, 2008

Page 5 of 5

George F. Morrow
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service and Programs

GFM/rs/lst

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY
COUNCIL APPROVING PUBLIC BENEFIT
PROGRAM FUNDS

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves Public Benefit Program funds for the following program extensions and/or renewals as follows and as shown on the project descriptions marked Exhibit A attached hereto:

- 1) Lodi Appliance Rebate Program - \$20,000
- 2) Lodi Energy Efficient Home Improvement Rebate Program - \$70,000
- 3) Lodi G-1 Commercial Rebate Program - \$20,000
- 4) Lodi G-2 Commercial Rebate Program - \$50,000
- 5) Lodi G-3 to I-1 Commercial/Industrial Rebate Program - \$160,000
- 6) Lodi Municipal Energy Efficiency/Miscellaneous Projects - \$60,000
- 7) Lodi Evaluation, Measurement & Verification Project - \$60,000

Dated: June 4, 2008

=====

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 4, 2008, by the following Vote:

AYES: COUNCIL MEMBERS -

NOES: COUNCIL MEMBERS -

ABSENT: COUNCIL MEMBERS -

ABSTAIN: COUNCIL MEMBERS -

Randi Johl
City Clerk

2008-_____

EXHIBIT A

1. Lodi Appliance Rebate Program- \$20,000

Since 1999, the Lodi Electric Utility Department (EUD) has maintained the *Lodi Appliance Rebate Program*, providing rebates for various energy efficient home appliances. Since the programs inception, thousands of Lodi residents and business owners have participated in this program.

For the fiscal year 2008-2009, the EUD is recommending that \$20,000 in Public Benefit Program funds be allocated to extend this successful program. Under the program, eligible* customers would receive the following rebates:

- > EnergyStar® refrigerator \$50 rebate;
- > EnergyStar® dishwasher \$25 rebate;
- > EnergyStar® clothes washer \$50 rebate.

To qualify for a rebate, customers must purchase the aforementioned home appliance(s) from one of these Lodi retailers: Anderson Maytag, Ben's Appliance, Les' Appliance, Lowe's of Lodi, and Reo's Appliance.

EnergyStar® appliances consume, on average, twenty percent to thirty-five percent *less* electricity annually than a standard home appliance (refrigerator, dishwasher and clothes washer), which makes the purchase and installation of a high efficiency home appliance an extremely attractive, and cost effective, energy conservation measure.

2. Lodi Energy Efficient Home Improvement Rebate Program- \$70,000

In 2003, the City of Lodi EUD introduced the *Lodi Energy Efficient Home Improvement Rebate Program (LEEHIRP)*. This program provides various rebates to residential customers who purchase and install designated and approved energy conservation measures. For the 2008-2009 fiscal year, the EUD is proposing the following conservation measures, and rebate amounts:

Category A: \$55,000 of the total \$70,000 program budget will be allocated for the following energy efficiency elements; of this \$55,000 allocation, a total of \$10,000 is allocated for the HVAC system performance test noted below (the remaining \$45,000 is allocated for those items in italics):

- | | | |
|--|-------|--|
| > <i>air duct replacement</i> | \$750 | |
| > <i>air duct repair</i> | \$200 | |
| > <i>high efficiency central air cond.</i> | \$175 | (must install 15+ SEER HVAC unit or 13+ SEER rooftop unit with variable speed drive) |
| > <i>ultra-high efficiency central air cond.</i> | \$225 | (must install 17+ SEER HVAC unit) |
| > <i>heat pump</i> | \$150 | (must install 8.5+ HSPF for split system or 8.2+ HSPF for package unit) |

> HVAC system performance test* \$100/ HVAC repair or replacement
 *A customer may be eligible for this \$100 rebate if the customer proceeds with recommended air duct repair/improvement/replacement.

Category B: \$15,000 of the total \$70,000 program budget will be allocated for the following energy efficiency elements:

> radiant barrier/thermal shield	\$150
> whole house fan	\$100
> attic fan	\$ 40
> shade screens/window tinting	\$ 0.50/sq. ft.
> attic/wall insulation	\$ 0.15/sq. ft. (must increase attic insulation to an R-38 and wall insulation to an R-13 energy efficiency value)

Note- The maximum allowable rebate under this program is \$300 per customer service address, with an additional \$200 allowance for air duct repairs or an additional \$750 allowance for air duct replacement, if eligible. Customers must also consent to potential pre- and post-inspections of their property. In addition, in order to qualify for any of the high efficiency central air conditioner rebates mentioned above, the customer must address any recommended air duct repair or replacement issues. Note: in the event funds from either Category A or B are not utilized by May 15, 2009, then those funds can be utilized as a rebate in the other category.

By installing some, or all, of the aforementioned energy conservation measures, residential customers may decrease monthly energy consumption from five percent, to as much as thirty percent (the actual energy savings will vary depending upon the number of conservation measures installed, the quality of installation and personal energy use patterns).

3. Lodi G-1 Commercial Rebate Program- \$20,000

This program, first introduced in 1999, provides rebates to commercial customers under the electric rate classification of G-1. Specifically, the program offers a dollar-for-dollar rebate of up to \$200 for the purchase and installation of any/all of the following energy conservation improvements:

- ceiling fans; attic fans/ventilators; weather-stripping; attic insulation; air duct replacements/repairs; window tinting/shade screens/awning covers; HVAC/refrigeration (such as an annual diagnostic and preventative maintenance service for each HVAC unit and/or refrigeration system).

In addition, eligible customers may receive a rebate of 15 percent or \$750 (which ever amount is less), for installing a high efficiency mechanical system (13+ SEER air conditioner), or a lighting improvement/retrofit.

Participating customers must be on the published G-1 electric rate schedule, current on all City of Lodi utility charges and consent to a potential pre- and post-inspection. Since the programs

inception, over 650 small businesses have reduced energy consumption by installing some or all of the aforementioned energy efficiency measures, and received a rebate from the City of Lodi. The average annual energy savings that can be achieved is 5 percent to 25 percent, depending upon the energy efficiency measure(s) installed.

4. Lodi G-2 Commercial Rebate Program- \$50,000

The rebates in this program are designed specifically for commercial customers assigned to the G-2 electric utility rate. Eligible customers may receive a rebate of up to \$6,000 for purchasing and installing any/all of the following energy conservation measures: building automation/energy management control systems, lighting retrofits, chiller & mechanical equipment change outs, annual HVAC/refrigeration service or maintenance, and special projects.

An approved rebate under this program calls for a minimum 15 percent energy savings, and the total rebate available is \$6,000 in a 12-month period for qualifying projects (one per customer of record). The rebate is calculated on total kilowatt-hour (kWh) savings; for the fiscal year 2008-2009, the rebate per kWh savings will be \$0.15/kWh (thus, if a customer develops, and presents to the utility, a project that will save 30,000 kWh in a year, the total rebate will be \$4,500; $30,000 \text{ kWh} \times \$0.15/\text{kWh} = \$4,500$).

5. Lodi G-3 to I-1 Commercial/Industrial Rebate Program- \$160,000

For the 2008-2009 fiscal year, the EUD is proposing to continue this program, with a total budget of \$160,000 for rebates. Eligible customers, assigned to the G-3, G-4, G-5, or I-1 electric utility rate, will have the opportunity to receive a maximum rebate of \$20,000 for qualifying projects, including: lighting retrofits, process/manufacturing equipment & heavy refrigeration improvements, chillers & mechanical equipment change-outs, building automation/energy management control systems improvements, and building envelope retrofits.

An approved rebate will be based upon the following criteria:

- a minimum of 15 percent electric energy savings per energy efficiency measure installed;
- a minimum of 10 percent operations and maintenance savings per energy efficiency measure installed;
- inclusion of all required engineering, design, labor, and materials documentation (a customer seeking a utility rebate must provide a detailed description of the energy efficiency project; calculated energy savings audit associated with the project; calculated operations and maintenance savings associated with the project; total “turn-key” cost of the project; design/engineering specifications, design drawings, equipment manufacturer cut sheets; baseline energy consumption data of the existing equipment being removed).

The total rebate available per customer of record per City of Lodi fiscal year for qualifying projects is \$20,000. The rebate is calculated on total kilowatt-hour (kWh) savings; for the fiscal year 2008-2009 program, the rebate per kWh of savings will be \$0.15 (thus, if a

customer develops, and presents to the utility a project that will save 50,000 kWh in a year, the total rebate will be \$7,500; 50,000 kWh 'x' \$0.15= \$7,500).

NOTE: For all aforementioned rebate programs, funds are made available on a first-come, first-served basis, and are available until said funds, by program, are exhausted.

NOTE: In the event any individual rebate program has unclaimed funds on May 15, 2009, EUD staff is authorized to shift those unclaimed funds to another rebate program at staff discretion.

6. Lodi Municipal Energy Efficiency/Miscellaneous Projects- \$60,000

For the 2008-2009 fiscal year, the EUD is budgeting \$60,000 for various energy efficiency projects that may be performed at city-owned facilities. These may include: lighting retrofits, high efficiency HVAC replacements/upgrades, building envelope improvements, and other approved energy conservation measures.

7. Lodi Evaluation, Measurement & Verification Project- \$60,000

Under state law, all electric service providers in California are now required to expend Public Benefit Program funds on the evaluation, measurement and verification of selected energy efficiency/conservation projects *funded* by Public Benefit program dollars. For the 2008-2009 fiscal year, the EUD is proposing to expend up to \$60,000 to review and assess the actual energy savings achieved through numerous energy efficiency projects implemented during the 2007-2008 fiscal year. The findings of these various assessments are then included in an annual filing with the California Energy Commission.



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Allocate \$82,500 in Public Benefit Program Funds for Five (5) Programs; and Authorize the City Manager to Execute Contracts with Four (4) Different Entities to Assist in Managing These Programs (EUD)

MEETING DATE: June 4, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to allocate \$82,500 from the Lodi Public Benefits Program fund for five programs, and authorize the City Manager to execute contracts with four different entities to assist in managing these various programs.

BACKGROUND INFORMATION: Lodi Electric Utility has provided a pair of unique and engaging *educational* programs for Lodi students and educators over the past several years. Under California law, all electric service providers in the state must maintain a Public Benefits Program, incorporating four major elements: 1) assistance for low-income customers, 2) renewable energy resources & technologies, 3) demand-side management/energy efficiency, and 4) energy research. These two educational programs are categorized as energy efficiency (*Lodi LivingWise Program*) and renewable energy resources (*Lodi Solar Schoolhouse Project*). Below is a description of these two educational programs:

> **Lodi LivingWise Program:** Nearly 2,450 Lodi students and their families have participated in this program since 2003. The program provides students and educators at Lodi area schools with a useful tool that demonstrates energy and water conservation. The budget for the 2008-2009 school year (Lodi fiscal year) is \$20,000. The funds allocated are paid to Resource Action Programs of Modesto, California. This firm provides the energy efficiency kits (please see next paragraph) to the classrooms, schedules delivery of said kits to meet the individual teacher timeframes and produces a school-by-school report of efficiency savings once the program year is complete.

For the 2008-2009 school year, Lodi Electric Utility staff is once again proposing to provide 437 energy and water conservation kits to 6th grade students throughout Lodi. Each kit contains a compact fluorescent lamp, an Electro luminescent (energy efficient) Night Light, a low-flow showerhead, faucet aerators, a water leak test for toilets, tips on energy/water conservation, specific ways to weatherize/insulate the home, and more. Once the kits are delivered to the classroom, and the teacher has received their training packet, students are instructed on how/why to implement the contents of the kit at their home. There are pre-installation and post-installation course discussions that are provided to the instructors to ensure that the students are fully engaged in the project. After the students have installed the contents of their kit at home, an assessment is produced by Resource Action Programs staff to determine projected energy and water savings associated with the installation of the various

APPROVED: _____
Blair King, City Manager

energy/water conservation measures. To “kick-off” the project, an Electric Utility staff member will attempt to visit each classroom to reinforce the significance of the project and discuss the importance of energy/water conservation.

While the project educates students on the importance of energy/water conservation, it also complements the energy education curriculum mandated by the State of California for all 4th through 6th grade students. Teacher feedback continues to indicate that our program is an excellent “fit” for portions of their math, science and or energy education curriculum. The *Lodi LivingWise Program* was implemented in thirteen (13) sixth-grade classrooms throughout the community during the 2007-2008 school year.

> **Lodi Solar Schoolhouse Project**: Since 2002, over 1,200 Lodi students have been involved in one aspect or another of this project. The *Lodi Solar Schoolhouse Project* is aimed at educating students in grades 3rd through 12th regarding the importance of renewable energy resources, like the sun and wind, and the critical role these energy resources will most likely have on their future.

To assist in implementing this program, Electric Utility staff will again utilize the professional services of The Rarus Institute, a not-for-profit organization based in Martinez, California. For the 2008-2009 school year (and Lodi fiscal year), the *Lodi Solar Schoolhouse Project* will have several key elements, including: 1st Annual Solar Schoolhouse Discovery Day, the Solar Schoolhouse Summer Institute (provides funding for two Lodi educators to attend a week-long renewable energy resource training camp), presentations on clean energy at the Lodi Energy Smart Workshop events, and delivery of the new DVD/book entitled ‘Teaching Solar’ to area educators. In addition, The Rarus Institute staff will provide in-classroom presentations where requested, as well as ongoing consulting services to Lodi Electric Utility staff regarding solar and wind energy issues. The budget, and contract with The Rarus Institute, for this program is \$10,000.

As is the case with the *Lodi LivingWise Program*, the *Lodi Solar Schoolhouse Project* complements the energy education curriculum mandated by the State of California, allowing numerous Lodi educators to fulfill this educational requirement.

> **Lodi On-Line Energy Audit Program**: Lodi Electric Utility offers both on-site and on-line energy audits for residential customers (on-site audits are also provided for small and medium-sized commercial customers). The on-line service, known as the HomeEnergySuite, is provided by the firm APOGEE Interactive. The on-line tool provides customers with the ability to determine how their monthly energy dollars are expended. The tool also provides access to lighting and appliance calculators, an educational ‘Kids Korner’ and an energy conservation reference library. On average, fifty to seventy-five customers per month utilize this free service. The contract with APOGEE Interactive for the 2008-2009 fiscal year is in the amount of \$9,500. In addition to maintaining the database/on-line tool, APOGEE Interactive also provides monthly updates on customer “hits” (how many customers are utilizing the service) and continually updates the energy conservation reference library with new and emerging energy technologies.

> **Lodi SHARE Customer Verification & Certification Project**: There are currently (as of May 1, 2008), 1,900 residential customers participating in the Lodi SHARE Electric Rate Discount*. For eligible customers, this rate relief program provides a 30% monthly discount off the published, standard EA (residential) electric rate.

In order to ensure that all current participants of the program are presently eligible to receive this rate relief, the Electric Utility Department (EUD) is proposing to continue the “SHARE Customer Verification &

Certification Program” during the 2008-2009 fiscal year. To successfully achieve the goal of this program, Lodi Electric Utility will again enlist the professional services of the Salvation Army** (S.A.). The S.A. will randomly select 850 current SHARE customers, and then verify and confirm that all 850 customers (households) are still eligible to receive the aforementioned rate relief. If the customer meets the existing eligibility requirements, the S.A. will notify the utility. Likewise, if a customer fails to meet said requirements, the S.A. will notify the utility and that customer’s rate relief will be discontinued. The S.A., as stipulated in the attached contract, will charge the EUD \$20 per customer verification/certification (850 customer screenings ‘x’ \$20 = \$17,000). NOTE: the total requested allocation for this program is \$18,000; of this amount, \$1,000 is earmarked for customer outreach/notification, brochure and verification/certification applications and other materials as needed).

In the summer and early fall of 2007, the S.A. performed 692 customer assessments as part of the Phase I ‘Lodi Share Customer Verification & Certification Project.’ Of that total figure, 252 customers (36.5%) were removed from the rate discount for various reasons (including: customer failed to meet income guidelines, customer had moved, customer was deceased, customer voluntarily removed their name from the program). The total amount of the rate discount received by these 252 customers during the 2006-2007 fiscal year was \$83,751.66.

*In order to qualify for the SHARE Rate Discount, the customer is required to certify income eligibility. The income levels for 1 to 4 persons in a household range from \$22,000 to \$31,100, and customers must show all proof of income for all members (when applicable) of the household. *In addition*, the customer must sign a statement upon application indicating that the COL may verify the customer’s eligibility at any time. If it is determined during the verification process that a customer is not eligible to receive the discount, the customer will be removed from the program and the COL may render corrective billing.

**The S.A. was selected to serve as the screening agent for this program for two reasons: 1) their experience and expertise in providing services of a similar nature for other entities (PG & E, San Joaquin County); and 2) the S.A. has served successfully as the administrator of the “Lodi C.A.R.E. Package Program” since 2005 – this is a utility grant payment program funded through Lodi’s Public Benefits Program.

> **Lodi CARE Package Program**: Since late 2004, the City of Lodi has provided a special grant program designed to assist Lodi families in paying their monthly utility bill. To qualify for a grant, a customer must earn *less* than the published federal income guidelines. Specifically, the Lodi CARE Package Program will provide a relief payment of up to \$125* for eligible families/customers. Other program specifics include:

- a customer in need will be interviewed by staff of the Lodi Salvation Army at the Lockeford Street facility; the family/customer must meet eligibility requirements, as listed on ‘Attachment A;’
- if approved for a relief payment, the Salvation Army will notify the City of Lodi Finance Department of eligible customer name, and the exact amount of the relief payment;
- the Salvation Army will also notify the City of Lodi Electric Utility Department of approved customers; these customers will automatically be enrolled in the Lodi Energy Audit Program and receive a free in-home energy audit;
- customers are eligible to receive a maximum grant amount of \$125 every six months;
- a set of income guidelines has been developed for this program, and will be utilized as part of the assessment process conducted by the Salvation Army (please see ‘Attachment B’);
- in order to receive the maximum relief payment of \$125, a customer must have no past due amounts owed to the City of Lodi, and must be able to pay the remaining portion of their current City of Lodi utility statement (the water and wastewater charges).

The following two entities are providing the funds available for the relief payments:

- City of Lodi Electric Utility - \$25,000 total; of this amount, \$19,500 is earmarked for relief payments to the customers in need. The \$19,500 is ONLY for payment of the electric utility component of customer bills. \$5,000 is earmarked as the payment due to the Salvation Army for their assessment services, and \$500 is earmarked for customer outreach and material preparation costs.
- WM® Waste Management - \$10,000 total; these funds will be designated solely for the purpose of paying the refuse component of a customer's bill (maximum payment is \$25 per customer; one such payment every six months).

Since the program's inception, over 725 Lodi customers have participated in the program and received a grant payment. The intent of the Lodi CARE Package Program is to assist those customers – currently living on wages 20 percent below the published federal income guidelines – in paying their monthly City of Lodi utility bill, particularly when the customer is facing a difficult period. The program is a “safety net” of sorts for customers experiencing a particularly difficult or unexpected financial hardship.

In order to adequately qualify customers for a relief payment, Lodi Electric Utility will again utilize the Lodi Salvation Army (S.A.) to serve as the day-to-day administrator of the program. The S.A. will charge the City of Lodi a fee of \$20 per customer assessment (not to exceed \$5,000 during the 2008-2009 fiscal year). The S.A. has provided the same assessment services for this program since late 2004.

*This relief payment was derived by assessing the average bill of a utility customer currently receiving a rate discount as part of the Lodi SHARE Program (the SHARE rate discount provides eligible customers with a monthly 30% rate discount on their City of Lodi electric bill). Two months were used as part of the assessment (July and November 2007). Of these two months, the average July utility bill for electric only was \$100, while the average November utility bill for electric only was \$52. Based upon this assessment, it was determined that the electric utility component of the relief payment be capped at \$100. Also during this aforementioned assessment process, it was determined that the average refuse component of a City of Lodi utility statement is \$21 (hence, a cap of \$25 is recommended as the refuse component of the relief payment). The two relief components, electric and refuse, then equal a maximum grant of \$125 per eligible customer.

By way of this Council action, Electric Utility staff is recommending approval of Public Benefit Program funds for the five aforementioned programs/projects, as well as the approval of the attached contracts with:

- 1) Resource Action Programs to assist in administering/implementing the *Lodi LivingWise Program*- \$20,000
- 2) The Rachus Institute to assist in administering/implementing the *Lodi Solar Schoolhouse Project*- \$10,000
- 3) APOGEE Interactive to provide on-line services for the *Lodi Energy Audit Program*- \$9,500
- 4) The Lodi Salvation Army to assist in administering:
 - A) *Lodi SHARE Verification Project*- \$18,000 (total contract amount is \$17,000)
 - B) *Lodi CARE Package Program*- \$25,000 (total contract amount is \$5,000)

As all four entities have proven to provide excellent service to the City of Lodi, the Electric Utility Department respectfully requests that the Lodi City Council dispense with going out to bid pursuant to Lodi Municipal Code 3.20.070, and authorize the City Manager to execute professional service contracts with these entities for the 2008-2009 fiscal year.

FISCAL IMPACT: \$82,500; these are funds that are required to be collected and expended under state law in various Public Benefit program categories.

FUNDING: 164605 – Public Benefits (Demand-side Management) - \$29,500
164606 – Public Benefits (Low-Income Customer Assistance) - \$5,000
164608 – Public Benefits (Renewable Energy Resources) - \$10,000
164609 – Public Benefits (Lodi CARE Package Program) - \$25,000

Kirk Evans, Budget Manager

George F. Morrow
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service and Programs

GFM/rs/lst

Attachments

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
PUBLIC BENEFIT PROGRAMS, AND FURTHER
AUTHORIZING THE CITY MANAGER TO EXECUTE
NECESSARY PROFESSIONAL SERVICES AGREEMENTS

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves Public Benefit Programs for the following program extensions and/or renewals as follows and as shown on the project descriptions marked Exhibit A attached hereto:

- 1) Lodi LivingWise Program - \$20,000
- 2) Lodi Solar Schoolhouse Project - \$10,000
- 3) Lodi On-Line Energy Audit Program - \$9,500
- 4) Lodi SHARE Customer Verification & Certification Project - \$18,000
- 5) Lodi CARE Package Program - \$25,000

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute professional services agreements required for each Public Benefit Program as outlined in Exhibit A attached.

Dated: June 4, 2008

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I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 4, 2008, by the following Vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____

EXHIBIT A

1. Lodi LivingWise Program: Nearly 2,450 Lodi students and their families have participated in this program since 2003. The program provides students and educators at Lodi area schools with a useful tool that demonstrates energy and water conservation. The budget for the 2008-2009 school year (Lodi fiscal year) is \$20,000. The funds allocated are paid to Resource Action Programs of Modesto, California. This firm provides the energy efficiency kits (please see next paragraph) to the classrooms, schedules delivery of said kits to meet the individual teacher timeframes and produces a school-by-school report of efficiency savings once the program year is complete.

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